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FROM SUNDAY'S  
**The New York Times**  
THE WEEK IN REVIEW  
INSIDE TODAY

# THE JERUSALEM POST

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## Lebanese postpone meeting at Nakoura

**Post-Mideast Affairs Reporter and agencies**

The Israel-Lebanon military talks which were to have started in Nakoura this morning, have been postponed following the failure yesterday of Lebanese Prime Minister Rashid Karamah to convene his cabinet and approve his country's delegation to the talks.

Neither Druse leader Walid Jumblatt nor Shi'ite leader Nabih Berri, two key ministers in Karamah's cabinet, was able to attend, although both announced that they trusted Karamah to make the necessary decisions without them.

However, Karamah refused to name the delegation without the full participation of Jumblatt and Berri. The prime minister is apparently concerned to avoid a situation that would enable either man to challenge any agreement reached at the talks on the grounds that he was not involved in the selection of the delegation.

The cabinet is not likely to meet before Wednesday, when it is hoped that Jumblatt and Berri will attend and enable the selection of a delegation. Both men are back in Beirut after being abroad last week.

although President Amin Jemayel left yesterday on a state visit to Algeria and is due to return tomorrow night.

Official sources in Beirut were quoted as saying that the Lebanese Foreign Ministry had asked that the talks be put off for a few days.

It was not clear last night when the talks will take place. It was clear, however, that it will not be before Thursday, presuming Wednesday's cabinet meeting is held with the full participation of Berri and Jumblatt.

Both Berri and Jumblatt have been highly critical of the Karamah government for its failure to proceed with the political reforms that will give their constituencies greater power. But with Damascus solidly behind the Nakoura talks, it is highly unlikely that they will back their grievances by deliberately impeding the choice of a Lebanese delegation to the talks.

In Damascus, Under-Secretary of State Richard Murphy conferred with Syrian Vice-President Abdel-Halim Khaddam yesterday, diplomatic sources reported.

The sources also said Murphy met with other Syrian officials. There was no official announcement on the talks.

## Producers will be hard hit

**By MACABEE DEAN  
Jerusalem Post Reporter**

TEL AVIV. — Manufacturers face considerable problems with the introduction of the three-month price freeze under the terms of the package deal, according to both Manfred Gerstenfeld and Ilan Barzel, who head the Euroteam financial-consultancy firm.

"Hardest hit will be factories that buy raw materials abroad for the manufacture of products for the local market. The prices of these raw materials will continue to go up according to the exchange rate while the prices of the local products remain fixed in shekels," said Gerstenfeld.

Barzel said: "These manufacturers have a number of alternatives. First, they can sell their finished products as soon as possible for cash."

"The principle is simple. A shekel at the beginning of November will be worth at least 25 per cent, perhaps even 30 per cent, more in real terms than a shekel at the end of January 1985, when the freeze ends. The manufacturers will gradually lose more and more money, and once their stocks are sold out, they will stop producing for the local market."

A second possibility is for the industrialists to go all out for exports. "For many industries it might be worthwhile to sell abroad at a tiny profit or even a small loss until the package deal is finished than to sell locally at a big loss. Local manufacturers will have to sell goods abroad because they cannot sell them locally, but local clients who want these goods will be forced to import because of the non-availability of local products."

"Of course, there is also another alternative: a black market in locally produced goods."

(Continued on Page 6)

## Share market booms

**By PINHAS LANDAU  
Post Finance Reporter**

TEL AVIV. — Share prices took off all along the line in hectic trading on the stock exchange yesterday.

The general public, missing for so long from the market activity, sought to return en masse. But the huge demand for shares found no willing sellers.

Because of the large number of "buyers only" situations, turnover on the share market was only IS1.27 billion, not much more than on a regular day.

Analysts did not expect the sudden boom, sparked by the signing of the wage-price freeze over the weekend, to last very long. "The test of this market," said one broker, will be in the first bout of profit-taking, and I expect it to fail.

## Soldier wounded in South Lebanon

**Jerusalem Post Reporter**

METULLA. — An Israeli soldier was seriously wounded yesterday when light-weapon fire was directed at an Israeli Defence Forces post three kilometres from Tyre.

The soldier was given emergency medical care and transferred to Rambam Hospital, Haifa.

Four South Lebanon Army soldiers were hurt yesterday when their unit came under light-weapon fire 10 kms. north of Nabatiya.

A hand grenade was thrown at a SLA patrol in Tyre yesterday afternoon. There were no injuries.

## Price freeze problems emerge

The first day of the three-month price freeze decreed on Saturday night left many shoppers, dealers and manufacturers in a fog. The cabinet settled the dispute over subsidized items by agreeing that they be subject to the freeze, with the finance minister promising that any change would be subject to the approval of the manufacturers and the Histadrut — the government's two partners in the package deal, which also limits the cost-of-living adjustments added to salaries. Carrots, onions and potatoes are to be included in the price standstill.

Publication of the promised list of items subject to the freeze was

delayed because of unclarity over the components of many of them. There was also confusion as to how the price of housing — and services in tourist establishments — would fit into the freeze plan. A further problem is how industries with heavy expenditure on imported raw materials can withstand the freeze while devaluation goes on.

Some Treasury officials have voiced scepticism as to the viability of the package which was opposed at yesterday's Cabinet session apparently by only one minister — Moshe Nissim.

## All subsidized commodities are included

**By ASHER WALLFISH**

The three-month price freeze will be applied to all goods and services, including subsidized commodities, despite earlier statements to the contrary by the heads of the Treasury, the cabinet learned yesterday.

Accordingly, the prices of subsidized foods, transportation, fuel, electricity, water and telephone will not go up during the freeze period, the cabinet confirmed when it ratified the three-way package deal among the government, private employers and the Histadrut. The agreement was signed late Friday.

Prime Minister Peres said at the

start of the five-hour cabinet session devoted to the agreement — which is aimed at gradually bringing down the rate of inflation — that if the need arises to increase the price of subsidized commodities during the freeze period, the issue will be dealt with by a monitoring committee. But the decision as such, Peres said, was to freeze all prices.

(An Agriculture Ministry spokesman said last night that fruit and vegetables, except potatoes, carrots and onions, are not part of the price freeze.)

In the wake of the package deal, Peres said, more economic measures will follow. A great effort had been made to ensure that the burden of reducing inflation and returning to

economic stability was being shared in a just manner. Great efforts have also been made to encourage exports, Peres said.

Finance Minister Yitzhak Moda'i presented the three-way package deal on prices, wages and taxes. Industry and Trade Minister Ariel Sharon explained how price controls would operate.

Deputy Premier and Housing Minister David Levy told a press conference after the cabinet session that he had questioned Peres on the conflicting reports about the subsidized commodities and had warned that the package deal would founder if the prices of these commodities were not frozen along with the rest.

Levy said Peres immediately reas-

sured him that the freeze would be comprehensive.

Before the proceedings had even started, and without any of the ministers having raised the issue of subsidized commodities, Peres made a point of clearing away the confusion left by the contradictory statements of the Histadrut and the Treasury.

On Saturday night, Histadrut Secretary-General Yisrael Kessar did not content himself with warning publicly that the exclusion of subsidized commodities from the freeze contravened the agreement. He also telephoned Peres and asked him to straighten the matter out as quickly as possible. Peres promised to make

(Continued on Back Page)

## Israel sees military talks beginning later this week

**By DAVID LANDAU  
Post Diplomatic Correspondent**

The Israel-Lebanon military talks at Nakoura are likely to get under way before the end of the week, according to informed diplomatic sources. Israeli officials also believed that Lebanon's postponement yesterday of the opening round would prove a transient delay.

Lebanon relayed its request for the postponement through senior UN aide Jean Claude Aimee, who delivered it yesterday morning to Foreign Ministry director-general David Kimche. Aimee said Beirut's problems were "technical," and Kimche replied that the Israel government "quite understood."

Israel awaits word from Beirut

today as to whether the talks can begin later this week.

They are expected to be held at the level of brigadier-general (tatauf), in which case Israel's chief delegate will be Amos Gilboa of the Israel Defence Forces Planning Branch.

Diplomatic sources agree with Israeli defence officials in their optimistic assessment of Syria's favourable attitude to the holding of these military talks between Lebanon and Israel. The assessment is that Syria's attitude augurs well for Damascus's eventual readiness to negotiate with Israel — indirectly through American mediation — over security arrangements in South Lebanon that could facilitate a complete Israeli withdrawal.

## Nissim slams package

**By DAVID LANDAU  
Post Diplomatic Correspondent**

The package deal — its economic content and its legal form — came under scathing attack at the cabinet yesterday from Justice Minister Moshe Nissim (Likud-Liberal). "The public is perplexed," he said. "The new government's credit is being squandered."

In unwontedly harsh language, Nissim lambasted the hasty way in which the cabinet had been asked, by telephone poll on Saturday night, to approve the price-freeze regulations — which were thereupon issued by the Trade Ministry, even before the cabinet had approved the package deal.

Nissim voted against the regulations in that telephone poll. He argued that a text of such weighty importance ought not to be brought before the cabinet in such unsatisfactory form.

He dubbed yesterday's cabinet approval of the package deal a "rubber stamping" process, since the ministers were faced in effect, he said, with a fait accompli.

But on the substance of the deal,

his criticism was even harsher. In essence, he contended, the package deal would vitiate a major part of the ostensible cut of \$1 billion in government budgets already approved by the cabinet.

Two-fifths of that cut, Nissim pointed out, was to have been achieved by the slashing of subsidies. Yet now the government had forfeited — whether by design or succumbing to Histadrut pressure — the right to exclude subsidized items from the three-month price freeze.

A further significant segment of that \$1b. cut in government spending was to have come in the form of new taxes and levies, Nissim continued. In the Education Ministry, for instance, \$90 million of the proposed \$110m. saving was to have been achieved by a new education levy — now frozen.

Similarly, the taxes to have been imposed on some National Insurance benefits, as a way of saving money from the Social Affairs Ministry's budget, were now to be frozen, too.

Speaking as a lawyer, Nissim ruled

(Continued on Page 2, Col. 2)

## 'Complications' postpone publication of prices

**By AARON SITTNER  
Jerusalem Post Reporter**

Publication of the list of frozen prices for more than 400 common items has been postponed for at least 24 hours and will not be issued until tonight, the Ministry of Industry and Trade told reporters in Jerusalem yesterday.

"We are sorry we do not yet have the list ready for distribution," Ministry Director-General Yehoshua Forer said last night. "We discovered so many complications that we decided to get more feedback from manufacturers and merchants before printing the list. Had we rushed it through, the public would soon have found many empty shelves in the shops, as merchants hide merchandise in storerooms till the price freeze is over."

David Brodet, Minister Ariel

Sharon's economic adviser and official in charge of enforcing the three-month price freeze, said that 260 workers — most of them borrowed from the customs and value added tax departments — spent all day yesterday "collecting price data and doing lots of explaining because there is a better chance for the package deal to succeed if everybody understands and cooperates rather than if we only depend on crackdowns violators by inspectors and the courts."

He said the ministry's newly established "price information headquarters," staffed by a dozen workers equipped with all available data, answered hundreds of questions phoned in by concerned and confused citizens all day yesterday. Because of an erroneous report on Kol Yisrael radio, many of the queries

concerned the frozen exchange rate of the shekel for goods and services. The correct rate is IS527 to the dollar, and the radio had announced IS517.

Brodet said the package deal is "infinitely more complicated" than previous ones since it comes at a time of unprecedented inflation. As a result, more merchants are seeking ways of exempting themselves from the constraints of the price freeze.

The complications of the freeze were highlighted by the scores of questions hurled by reporters at Amihai Perry, the ministry's legal adviser. The soft-spoken attorney admitted that neither he nor the legal advisers of the other relevant ministries "have all the answers... and surely the courts will have to decide on many questions."

However, the price freeze order —

officially titled "Emergency Regulations (Stabilizing Prices of Goods and Services), 1984 — was quite clear in many respects, he said. The freeze does not apply to financial transactions, transactions consummated abroad and export transactions.

But local prices, even if governed by a merchant's code system, must be quoted in shekels, and goods or services that were sold on a dollar-linked basis prior to November 2 may not be sold for more than IS527 to the dollar.

Credit-card purchases made abroad and charged to the cardholder's bank account here are considered financial transactions, and as such not covered by the IS 527-to-the-dollar rate.

As for instalment sales of goods or services with payments linked to the

(Continued on Page 2, Col. 2)

## Moda'i suffers defeats in package deal freeze

**By AVI TEMKIN  
Post Economic Reporter**

Finance Minister Yitzhak Moda'i bowed to pressure and gave up two major points of the concluded package deal and the Treasury's economic policy.

Moda'i was forced by Prime Minister Shimon Peres to accept that the price freeze would apply also to subsidized goods as well as fuel and electricity. In addition, Moda'i had to accept major changes to his proposal to prolong for three months the freeze on government commitments.

There were increasing doubts among officials in Moda'i's ministry. Some of them told *The Jerusalem Post* that the package deal will almost certainly fail and that this will happen before the end of the year.

The Treasury's director-general, Dr. Emmanuel Sharon, said on Saturday night that the price freeze will not apply to prices set by the government, such as those of basic commodities, public transport, fuel, electric and telephone charges.

But yesterday Peres supported the Histadrut's interpretation that the package deal covers all prices, in-

cluding those set by the government. Moda'i suffered his second setback when the cabinet agreed to prolong the freeze of government contracts for three months, but added exceptions that make such approval meaningless.

First, the cabinet decided that the freeze for the Defence Ministry will apply for only a month. The cabinet

also approved a proposal by Housing Minister David Levy to free from the freeze two-thirds of the activities of the Housing Ministry, compared to some 22 per cent for all other ministries which are not subject to it.

Since these two ministries, together with the Education Ministry, make the bulk of government expenditures, the changes intro-

duced by the cabinet into Moda'i's proposals left it without any meaning.

It has been learned that there are differences of opinion among ministers about the rate of devaluation in the coming months. Some want this rate to be equal to the

(Continued on Page 2, Col. 6)

## Tough Indian anti-riot measures restoring normalcy

**NEW DELHI (Reuters).** — India was returning to normal yesterday after four days of savage anti-Sikh violence left 900 persons dead, but isolated incidents of arson and murder continued.

Fresh violence was reported from Ghaziabad, an industrial town 20

kilometres north east of Delhi, where nine bodies were found on a local train. Officials said a factory in the town was set on fire.

More incidents of arson were also reported from a steel town in eastern Orissa state, but generally the pace of the violence, sparked by the murder of Prime Minister Indira Gandhi by two Sikhs last Wednesday, appeared to be slowing.

Prime Minister Rajiv Gandhi, who set light to the cremation pyre of his mother beside the river Jamuna here on Saturday, pushed through tough measures to stop the killings.

The army, sometimes using armoured personnel carriers, rushed troops to all trouble spots in the Delhi region.

Delhi's newly appointed chief administrator yesterday promised a crackdown on lawlessness and a return to normal after the "orgy of madness that has prevailed in this city."

Lieutenant-Governor M.M.K. Wali, named Saturday night to run the New Delhi administration, gave an official count of 458 persons killed in anti-Sikh riots through the city since Indira Gandhi's assassination. He said the figure included 59 Hin-

dus and 17 rioters shot by police. Reports from around the country indicate a death toll of around 900.

"It will be my endeavour to see that this orgy of madness that has prevailed in this city is put to a stop. No measure will be harsh enough to achieve this," Wali told a news conference.

He said New Delhi's 30,000-member police force, backed by the army, had regained control throughout the city, adding that only one minor incident had been reported yesterday.

(Continued on Page 4)

## Hundreds dying daily in famine-hit Ethiopia

**KOREM, Ethiopia (Reuters).** — Hundreds of Ethiopians are dying every day in the northern province of Wollo, many of them succumbing to starvation and disease on the road to aid centres, relief officials said.

In the past 10 days, both western and Soviet bloc countries have begun an airlift of emergency supplies, but they have not yet reached places

saw thousands of famine-stricken peasants on the road, walking to relief centres in search of food.

Some carried their wives, husbands or children on makeshift stretchers. Others, too weak to walk, lay by the side of the road waiting to die.

The government's Relief and Rehabilitation Commission (RRC)

Wollo is one of the provinces worst afflicted by the drought, which threatens famine for up to seven million people across the country. Tens of thousands of the province's people are on the march, having given up any attempt to grow crops, RRC officials said.

They are trekking towards places like Korem, where 31,000 drought victims are being cared for and

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CHICAGO	4	25	11
COPENHAGEN	4	43	58
FRANKFURT	4	43	58
GENEVA	2	34	46
HELSINKI	4	43	58
HONG KONG	20	48	75
JERUSALEM	1	43	58
LEON	1	43	58
LONDON	6	43	58
MAURITIUS	6	43	58
MONTREAL	6	43	58
NEW YORK	3	31	39
OSLO	3	31	39
PARIS	3	31	39
SAO PAULO	24	77	79
STOCKHOLM	9	48	11
TOKYO	9	48	11
VIENNA	4	39	59
ZURICH	3	31	39

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## THE WEATHER

	Yesterday's	Today's
Jerusalem	13-22	23
Golan	14-22	23
Nahariya	13-22	23
Safed	13-22	23
Haifa Port	13-22	23
Tiberias	13-22	23
Nazareth	13-22	23
Afula	13-22	23
Sharon	13-22	23
Tel Aviv	13-22	23
B-G Airport	13-22	23
Jericho	13-22	23
Gaza	13-22	23
Beersheba	13-22	23
Eilat	13-22	23

## SOCIAL & PERSONAL

The four decades of involvement by the National Council of Jewish Women in Israeli education was lauded yesterday by Hebrew University President Don Patinkin, who hosted NCJW delegates visiting the university, and heard reports on projects being carried out at the NCJW Research Institute for Innovation in Education at the university's School of Education.

## ARRIVALS

Estimuh Women of America Honorary President and Chairwoman of Tour Department Melaine Oelbaum.

## Berlin mayor due for four-day visit

Eberhard Diepgen, the mayor of Berlin, will arrive in Israel on Saturday night for a four-day visit. He will meet with President Chaim Herzog, Prime Minister Shimon Peres and Vice Premier and Foreign Minister Yitzhak Shamir. He will also tour Jerusalem and Tel Aviv with Mayors Teddy Kollek and Shlomo Lahat, respectively.

## Two Katyushas land in Beit She'an valley

BEIT SHE'AN. — Two Katyusha rockets landed on Saturday night in the Beit She'an Valley, but there was no damage. A large number of Israel Defence Forces personnel rushed to the Moshav Yardenia area Saturday night after two explosions were heard, and the remains of one of the rockets were found in a field yesterday.

In the last year there have been several incidents of Katyushas landing in the Beit She'an Valley, apparently fired by terrorists who have infiltrated into Jordan despite the Jordan Army's efforts to keep them out.

## Al-Bira college closed

AL-BIRA (Itim). — The Tira Teachers Seminary here was closed for seven days from yesterday by order of the local director of UN-RWA, which sponsors it.

He decided so after the Judea and Samaria Civil Administration warned the institute that it would be closed for a month if students continued with their repeated disturbances.

## Samuel Haber, at 81

NEW YORK (JTA). — Samuel Haber, honorary executive vice-president of the American Jewish Joint Distribution Committee, which he served for 37 years, died in Akron, Ohio, Sunday at the age of 81. The JDC announced here yesterday. Funeral arrangements will be announced today.

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# HOME NEWS

## New and steady currency to be introduced — Ya'acobi

By MICHAL YUDELMAN  
Jerusalem Post Reporter

TEL AVIV. — A new currency will be introduced as soon as the package deal and supplementary economic measures have brought about economic stability in the country, Economics and Planning Minister Gad Ya'acobi said yesterday at the National Religious Party's central committee meeting in Tel Aviv.

Ya'acobi said the package deal is only one step of the economic programme.

"If the other necessary steps — further cuts in the government's budget and stabilizing the currency — are not taken soon, the economic volcano which will accumulate during the next three months will erupt," he warned.

Ya'acobi stressed the enormous importance of the "national coalition" achieved by the government, the Histadrut and the employers to make possible the package deal. This coalition means coping with

inflation by mutual concessions for economic stability and will create a new trust in the future, he said.

The minister cautioned that there is no easy or rapid way out of the crisis. "We are coping with a series of grave problems and challenges all at once, and this limits our options."

He said the local standard of living must be lowered in battling with inflation, which has been caused by living beyond our means and doing less than we are capable of, and increasing consumption without increasing productivity.

Ya'acobi said that the crisis was not caused by inevitable causes but by the nation's actions and policy.

He said that the Israel Defence Forces' leaving Lebanon — which is now a matter of "when" and not "if" — will save the defence budget another \$242 million annually in addition to the \$300m. the Defence Ministry has already undertaken to cut.

## Histadrut pleased with win over subsidized goods freeze

By ROY ISACOWITZ  
Jerusalem Post Reporter

TEL AVIV. — Histadrut officials expressed satisfaction yesterday at the cabinet's acknowledgement that subsidized goods are included in the price freeze.

The acknowledgement followed Histadrut Secretary-General Yisrael Kessar's warning on Saturday night that the package deal would collapse unless the subsidized goods were included. He had complained that statements by Finance Minister Yitzhak Moda'i and other Treasury officials to the effect that the subsidized goods were excluded contradicted the text of the agreement.

The officials also scorned the impression created yesterday by Deputy Prime Minister David Levy that he had been responsible for the cabinet's reversal of Moda'i's statements. They said that Kessar had phoned Prime Minister Peres on Saturday night, after hearing Moda'i's statement, and had asked him to clarify the matter. Peres then promised that he would put things straight at yesterday's cabinet meeting, the sources said.

Kessar said yesterday that any attempt to raise the prices of basic items, even as a result of subsidy cuts, would threaten the entire

agreement. This was especially so regarding the prices of electricity, petrol and water, which are essential in the manufacture of items whose prices have been frozen by the agreement, he said.

Kessar, who was participating in a debate with Moda'i and manufacturers' representative Avi Pelosof, said that the package deal would lessen unemployment, if only temporarily. Kessar and Pelosof agreed that the country's industrial problems made large-scale layoffs of workers likely, but that the agreement would prevent that for the next three months.

The Histadrut's Consumer Protection Authority is to launch today a campaign to inform consumers of their rights and to enlist their support in ensuring the success of the package deal.

Starting tomorrow in Tel Aviv and continuing for the next few days throughout the country, volunteers will distribute pamphlets in supermarkets, schools, hospitals and other public places. Pamphlets will also be distributed to store owners, calling on them to observe the price freeze in the national interest.

Authority chairwoman Nuzhat Katzav said yesterday that only through consumer awareness can the package deal succeed.

## Average 1984 wage to drop 5-6 %

By AVI TEMKIN  
Post Economic Reporter

The net average wage for 1984 will be 5 to 6 per cent lower than in 1983, pushing wage levels below those at the end of 1982, Government Statistician Moshe Siron said yesterday.

Presenting the Central Bureau of Statistics' Statistical Abstracts of Israel for 1984, Siron also said that private consumption would be down 7 per cent per capita for 1984 compared to 1983.

Siron said that despite a considerable fall in the excess of imports over exports, the balance-of-payments deficit will not be significantly smaller than last year due mainly to an increase in imports of military equip-

ment and an increase in the net payments of interest on debts abroad.

The balance-of-payments deficit will probably be \$5 billion, as it was in 1983.

Gross national product, he said, will show no growth this year, although industrial output will rise by some 3 per cent. Israel's population at the end of October was 4.2 million, of which 85.35 per cent were Jews, he said. The CBS expects the Jewish population of Israel to pass 3.5m. in early 1985.

Siron said that 11,000 olim arrived in the first 10 months of this year, compared with 12,000 in the corresponding period last year.

## PRICE LIST

(Continued from Page One)

dollar, a ministry official explained that alert merchants divide the sales agreement into two parts — one covering the price of the goods, and the other the method of payment. The latter is viewed as a financial transaction and therefore not subject to the price freeze.

Another feature of the new order, Perry pointed out, is that it bars breach-of-contract suits arising from the failure of the purchaser to pay an amount the seller had hoped to retrieve when he contracted for the sale by linking his price to the dollar.

On a query concerning real property, Perry admitted that it would be difficult to pin down a building contractor on the price of a flat he is offering for sale. "How many flats are so identical that they could be catalogued in a price list based on the November 2 price?" Perry asked.

"Every flat has its own exposure, its own finish and so on."

Asked about pricing of new automobiles, Perry said the ministry's position is that all vehicles in stock must be sold at IS527 to the dollar price prevailing on November 2. However, cars still not in inventory may be priced at any level.

As for insurance policies, most of which are linked to the dollar, that linkage remains intact for policies in force. However, Forer admitted that "we are still studying the question of new policies, and we may have to change the law to permit them to add linkage on policies written between now and the end of the 90-day period."

Brodet said that fees charged by professionals, such as dentists and advocates "present a problem" since their fees, too, are not easily catalogued.

## NISSIM

(Continued from Page One)

that the cabinet could not now exclude the subsidized items from the price-freeze, even if it wished to, because the language of the regulations promulgated the night before forbade it. There would have to be new, amended regulations.

Nissim conceded that the majority of his colleagues agreed with the Histadrut's position that the subsidized items should be frozen along with everything else. But he warned of the danger of a massive torrent of shekel-printing during the freeze period, and a massive wave of new inflation when the freeze ends next February.

The most that could be said for the package deal, Nissim said, was that it provided a "breathing space" for some really serious thinking about the economy.

He spoke cynically of the desire shared by all the parties to the deal to conclude their negotiations successfully last Friday, and suggested that less haste and more thought about the subsidies issue would have stood the government in good stead. "Perhaps less-tired eyes should have been given the opportunity to study the deal" before it was signed, Nissim said, scarcely concealing his lack

of confidence in his fellow Liberal. Finance Minister Yitzhak Moda'i. The two men's relationship has soured over recent months, but Nissim insisted last night that his cabinet comments had been substantive and not personal.

Cabinet sources said they had felt that Prime Minister Peres, having accepted that he could not push the exclusion of subsidized items past the Histadrut, had sought in the cabinet to downplay the matter, referring repeatedly to the tripartite "follow-up committee" which could still agree to subsidy-adjustments during the three months.

Sources close to the premier argued, however, that the essence of the package deal was the partnership between the three sides to it.

These sources rebutted charges of haste or cabal-decisions rammed through the full cabinet. They contended that in a unity cabinet of 25 ministers small decision-making units were the only way of achieving results. The six-minister panel that had negotiated with the Histadrut and the manufacturers was large enough and representative enough to have concluded the deal on behalf of the government.



A parent protesting against the high cost of nursery-school fees is arrested yesterday at the gates to the Prime Minister's Office in Jerusalem. Two other parents were also taken into custody during the demonstration. (Rahamim Israeli)

## Police arrest school-fee protesters

By D'VORA BEN SHAUL  
Jerusalem Post Reporter

A few dozen working mothers and young couples with pre-school children who gathered opposite the Prime Minister's Office to protest against increased nursery school fees yesterday were confronted by mounted police, who arrested three parents.

The police have instructions to nip in the bud any infringements of de-

monstration permits. Yesterday they chased the demonstrators on horseback when they spread into the road and started to interfere with the traffic, herding them into a corner in Emil Grunzweig Square.

Last night the police spokesman told The Jerusalem Post that the mounted police are used "according to need," most often when demonstrators are confronted by counter-demonstrators.

## Technion won't favour ex-soldiers

Jerusalem Post Reporter

HAIFA. — The Technion's senate last night decided not to allow ex-soldiers extra credit points in the entrance examinations to compensate them for the years spent in national service.

The decision, which was taken by a narrow majority, reverses an earlier decision by the senate to support favour applicants who have done recognized national service.

The earlier decision has been bot-

ly contested as discriminatory and "racist" by the Arab Students Committee and by some Jewish groups. It was returned to the senate for review by some of its members.

The senate also decided that it would explore ways of granting priority to demobilized soldiers who wish to study at the Technion as required by the Demobilized Soldiers Act passed by the Knesset shortly before the elections.

## Videotape shows suspect with injuries

HAIFA (Itim). — A section of a video taped re-enactment of the murder of Danny Katz, screened in the Haifa District Court yesterday, showed signs of injury on one defendant, and other sections of the re-enactment were missing from the tape.

Selections from the taped re-enactments were shown by the prosecution in a hearing on the admissibility of evidence in the trial of five men charged with murdering Katz. The prosecution sought to disprove defence arguments that the defendants confessed and re-enacted the murder as a result of a police campaign of torture, "pressure" and "bribe".

In a selection showing defendant Ahmed Kuzli, Judge Avraham Friedman noticed signs of injuries on

Kuzli's forehead. Chief Inspector Ghanem Ghanem, a member of the police investigating team who testified as the tapes were played, said Kuzli had not complained to him about being attacked or injured.

Ghanem said that the three defendants appearing in tapes shown yesterday — Kuzli, Samir Janana and Fathi Janana — had taken part in the re-enactments of their own free will. Sections were missing from the tapes for technical reasons, he said, explaining that the technicians had changed batteries during the re-enactment and in one case had to turn on a generator.

In one section of the tape Samir Janana is asked, "Who killed the boy?" and the defendant responds, "Ahmed Kuzli."

## One killed, five seriously hurt on roads

A 23-year-old Netivot man was killed and five persons were seriously injured in four road accidents over the weekend.

David Kanafo was killed about midnight Saturday when the truck he was driving overturned on the coastal road south of Ashdod. The truck rolled into a ditch and Kanafo was trapped in the cab.

Also on Saturday night, a car driven by Silvi Leido, 57, on the Ashkelon-Kiryat Gat road went out

of control and fell into a ditch. The driver and his two passengers, Gudrun Eckhart, 50, and Julio Ernst, 58, were seriously injured and were taken to Barzilai Hospital in Ashkelon, where it was reported that their lives were not in danger. All three are foreign residents.

In a road-safety campaign which began Friday, the police have already ordered 90 vehicles off the road because of mechanical problems. (Itim)

## Tel Aviv to have 50% less lighting

TEL AVIV. — From now on every second street light in this city will be turned off at midnight, and all street camps will go dark at 3 a.m. in a move expected to save \$180,000 annually, Mayor Shlomo Lahat announced yesterday.

Lahat said that the municipality will also cut \$800,000 from its culture budget and \$300,000 from its educational allocations.

The mayor also announced that he has accepted the resignation of Ya'acov Bar-Gera as director of the Tel Aviv Fair Grounds. The resignation follows a comptroller's report last year that pointed to financial irregularities in the management of the Fair Grounds.

## Halhoul council sacks mayor Milhem

HALHOUL (Itim). — The Halhoul Local Council yesterday sacked Mayor Mohammed Milhem, who was deported to Jordan four years ago. Despite his being in exile, the council of this town in the Hebron Hills had continued to recognize Milhem as mayor.

The Council claims to have now discovered that Milhem had embezzled council funds deposited in the Arab Bank of Jordan.

Milhem was deported with Hebron mayor Fahd Kawasmeh after the killing of six yeshiva students at Beit Hadassah in Hebron. Hassan Hijazi was elected the new mayor.

## Maof passengers suffer a long day at Ben-Gurion

By JOSHUA BRILLIANT  
Jerusalem Post Reporter

Some 250 Maof passengers were due to fly out from Ben-Gurion Airport soon after midnight last night, after spending all day yesterday at the airport worrying about travel plans.

Maof, which announced bankruptcy on Friday owing an estimated \$10 million, apparently dumped these passengers into the laps of Civil Aeronautics Administration officials, who were to use a \$500,000 bond to cover the cost of flying them to their various destinations.

At the weekly cabinet meeting yesterday, Transport Minister Haim Corfu brought up Maof's financial plight and said the airline should be helped to find a buyer during the present period of receivership and should not be allowed to go out of business.

The cabinet accordingly decided that Corfu, along with Finance Minister Yitzhak Moda'i and Tourism Minister Avraham Sharif, should confer over the next few

days, and appoint an expert to study the problem of Maof's future.

The CAA arranged for an El Al Boeing 767 to fly passengers to Basel and Munich and for an Arkia Boeing 727 to fly to London. The flights were to leave after midnight, after returning from yesterday's flights to Munich and Frankfurt.

For some passengers that was too late. Elaine Chrysler of Johannesburg said she and her son were on their way from South Africa to attend her brother's wedding in Switzerland yesterday afternoon.

The few Maof workers still at the company's basement headquarters in Ramat Gan yesterday seemed depressed. One called up an old friend, looking for a job. Others stood in the street leaning on cars.

Maof's temporary receiver, Professor Yosef Gross, yesterday obtained court permission to ask the official receiver for a \$50,000 loan and the guaranteed creditors for a \$100,000 loan to hire a skeleton crew to take care of the company's \$5.5 million worth of assets.

## Botha's 'private visit' looks very much like an official one

By DAVID LANDAU  
Post Diplomatic Correspondent

South Africa's Foreign Minister P. W. Botha arrived in Israel yesterday for what the Foreign Ministry persists in terming a "private visit," though it is to have almost all the characteristics of an official visit.

The discrepancy is apparently designed to find favour in the eyes of Black African countries with which Israel has recently resumed relations or with which it hopes soon to resume relations.

The visiting minister and his party, flying in via Lisbon, were welcomed at Ben-Gurion Airport by Vice Premier and Foreign Minister Yitzhak Shamir and Foreign Ministry officials. Today Botha and Shamir and their aides will hold a full-fledged working session at the Foreign Ministry. In the evening Yitzhak and Shulamit Shamir are giving a dinner for some 20 guests in Botha's honour.

One respect in which Botha's visit differs from official visits by foreign ministers is the absence in his programme of a courtesy call on the Prime Minister.

Sources close to Premier Peres

said last night that Botha's meetings on the level of the vice premier and foreign minister "accord with the requirements of this present visit."

Foreign Ministry officials said that Botha is not seeing Peres because he did not ask to see him.

After the working session this morning Botha will lunch with (South African-born) Abba Eban, chairman of the Knesset Foreign Affairs and Defence Committee. In the afternoon he is to tour the Old City of Jerusalem.

Officials in Jerusalem hinted last night that Botha would also have a meeting with Defence Minister Yitzhak Rabin. This does not appear on the programme of his visit distributed to the press.

Tomorrow his programme takes him to Masada, on to Jericho and then up the Jordan Valley to Kibbutz Ginosar for lunch and a tour of the kibbutz. From there Botha plans to visit the Golan Heights.

On Wednesday morning he will visit Christian holy sites on the shores of Lake Kinneret and in Nazareth before flying on to the German Federal Republic.

## Hammer elected by NRP

By MICHAL YUDELMAN  
Jerusalem Post Reporter

Former education minister Zevulun Hammer was elected secretary-general of the National Religious Party at the party's central committee meeting at Tel Aviv's Ohel Shem Hall yesterday. The election of Hammer, the only candidate, by open ballot was almost unanimous, with only one hand raised in opposition.

After his election, Hammer called for rebuilding the NRP. "Despite the feelings of despair, many people can be brought home to the NRP, if they feel that things are changing in the party," he said.

The election followed a stormy meeting during which representatives of Hapoel Hamizrachi (a faction of the NRP) and the organization of the NRP members of Yeminite origin disputed Hammer's eligibility to be secretary-general.

Zion Zehavi, of the organization of NRP members of Yeminite origin, complained that neither his organization nor Hapoel Hamizrachi, which he said numbers 140,000 voters, were represented in party institutions. The Yeminites threatened to leave the party.

Former interior and religious affairs minister Yosef Burg pledged his help in any constructive step that will get the NRP — "this wonderful movement now suffering like a critically ill patient" — back to what it was in its heyday. "The battle is between sickly secularism and the values of Judaism. The NRP must return to its former strength for the sake of the Jewishness of this state," Burg said.

The election was necessitated by the appointment of former secretary-general, Danny Vermuss, as a Jewish Agency emissary in the U.S.

## MODA'I

(Continued from Page One)

current rate of price increases without including the influence of increases already in the pipeline. Other ministers however, want the devaluation of the shekel to keep up with the rate of inflation as measured by the Central Bureau of Statistics, thus including the influence of price hikes that took place at the end of last month.

After yesterday's cabinet meeting, Moda'i tried to de-emphasize his defeat. Speaking to reporters in Jerusalem, he said the cabinet had taken no decision on the issue of

prices set by the government. He said all that was decided was to raise these prices only after consulting with the other parties to the package deal.

Moda'i stressed that he had an economic scheme. "There are cuts in the budget, new taxes and limitations to imports. Now we have the package deal. There is no country in the world with such a plan," he said.

Meanwhile, Treasury officials estimate that November's inflation will be as high as 20 per cent, and forecast price hikes of some 12 to 14 per cent for December.

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## Soldier tells court why he attacked Arab bus

By ROBERT ROSENBERG  
Jerusalem Post Reporter

The 18-year-old soldier who has confessed to the rocket attack on an Arab bus in Jerusalem last week was remanded for 15 days yesterday by Jerusalem Magistrates Court President Aharon Simha.

He is David Ben-Shimol, one of 10 children of a Katamonim family, who made a rambling statement to Simha yesterday after the police requested the remand. Saying that he had acted "out of sorrow," Ben-Shimol, who has been absent without leave from his Golani Brigade Unit, said that "innocent Jews are being killed indiscriminately, and I can't stand it any longer." Later he said: "I hope the court will understand."

Ben-Shimol appeared in the packed courtroom under heavy guard and without an advocate.

Arrested at the weekend in the culmination of an investigation that relied heavily on army records, fingerprint files, and information from underworld sources, Ben-Shimol told the court: "I'll have to eat what I cooked."

His service as a small-time police informer was a big help to investigators, who were able to match his fingerprints and handwriting as it appeared in their files to the evi-

dence of the handwritten note left at the scene of the rocket attack on the Hebron bus.

Ben-Shimol's father, Hanania, who was not in court yesterday, told Gali Zahal radio that he believed the motive for the rocket attack was that one of the fatalities in last December's terror attack on a Jerusalem bus was a girlfriend of his son.

The note found after the attack said that the action had been taken in revenge for the murders the previous week of two university students in a wadi near Beit Jalla's Cremisan monastery. A resident of the Dehaishe refugee camp is being held in connection with that crime. One bus passenger died and 10 were wounded in the rocket attack.

An army comrade of Ben-Shimol's was remanded until Friday. He is suspected of having known about the attack on the Old City cafe in which a dozen persons were lightly wounded and for which Ben-Shimol took responsibility in the note he left after the rocket attack. This second man's name was not released for publication.

Freed from interrogation yesterday were a soldier, also from Jerusalem, and a woman soldier from Arad, arrested during the weekend in the course of the inquiry into Ben-Shimol's associates.



David Ben-Shimol (left), suspected of the rocket attack against the Arab bus in Jerusalem last week, is led into the Jerusalem magistrates' court yesterday. At right is an as-yet unnamed soldier who has been remanded on suspicion of having known about a previous attack against Arabs for which Ben Shimol has taken responsibility. (Rahamim Israeli)

## GSS agent describes relations with suspects

By DAVID RICHARDSON  
Jerusalem Post Reporter

A General Security Service interrogator yesterday characterized his organization's attitude toward and treatment of the defendants in the Jewish terrorist trial as "preferential."

"My day-to-day business is the interrogation of suspected terrorists who do not receive telephone calls or family visits, and who do not move around freely in the interrogation blocks to do whatever they feel like doing," said the agent identified by the pseudonym "Sami."

The agent was testifying behind closed doors in the continuing ministerial over the admissibility of the confessions of 16 of the 20 defendants now facing various charges of terrorism before the Jerusalem District Court.

Originally five of the defendants had informed the court that they did

not object to having their confessions presented to the court as the basis of the prosecution's case. But yesterday one of the five, Yehuda Etzion, decided that he, too, would challenge his confession.

Etzion's decision, his counsel explained, followed last week's testimony by the GSS chief investigator "Segal," who admitted under cross-examination that an "agreement" over the exchange of notes containing the names of some of the suspects was no more than a trick.

"Sami" also indirectly confirmed that relations between the GSS agents and the suspects were at times very tense. He accused defendant Uri Sharabaf of having called him a Nazi.

Sharabaf: "I said that we were not living during the Nazi period, and that it was not something special to bring a Jew a set of refillin."

Sami: "You called me a Nazi and I was very hurt by that. I will not forgive him for that."

The witness said that the head of the GSS interrogation team in Jerusalem, "Yisrael," had many arguments with several of the detainees and confirmed that "Yisrael" had to be asked to "speak softer," but denied that he had to be "calmed down." This followed an accusation by defendant Barak Nir that "Yisrael" had insulted and shouted at him.

Nir's brother Shaul wrote an eight-page explanation of his motivations as part of his confession which was submitted to the court at the end of last week by his counsel. In the document, entitled "For the Redemption of the Nation," Nir argues that the State of Israel has accepted "gentle" norms and values which were detached from reality. The trial is to continue tomorrow.

## Don't freeze out Soviet Jews, activists say at capital rally

"The state of the economy does not exempt us from saving Jews," was one of the slogans on placards at a demonstration of solidarity with Soviet Jews, held yesterday in front of the Prime Minister's Office in Jerusalem.

Among those participating in the rally, organized by the Public Council for Soviet Jewry and residents of the Etzion Bloc, were Vice Prime Minister Yitzhak Shamir, Absorption Minister Ya'acov Tzur, Russian olim and several hundred Etzion Bloc residents.

"We call on the government of the USSR, with all its organizations of

oppression, to stop oppression and take the just decision to unite Soviet Jews with the Jewish homeland," Shamir said in his speech at the demonstration.

Tzur praised the spiritual strength of Soviet aliya activists, but added: "What will preserve the struggle, the belief and the national existence if those fighting in the Soviet Union do not feel that our hearts are beating with them?" Soviet Jewry activists here voiced bitterness about the cabinet's decision to postpone its discussion of Soviet Jewry, which had been scheduled for yesterday. (Itim)

## High Court orders mother to return her son to Israel

The High Court of Justice yesterday ordered a mother who took her son to the U.S. after the break-up of her marriage to return the boy to Israel.

The order was issued at the request of the boy's father, Seymour Klein, against Roberta Klein. Both are U.S. citizens who lived in Kiryat Telshe-Stone near Jerusalem and received the status of temporary residents here.

A panel of three judges—Supreme Court President Meir Shamgar and Justices Eliezer Goldberg and Moshe Bejsky—ordered Roberta Klein to bring her son back to Israel within seven days.

In his petition to the High Court, Seymour Klein said that he married the respondent in 1979 and that they had a son, who is now four years old.

After sharp marital disputes, the husband left the house.

Suspecting that his wife might take his son to the U.S., the husband petitioned the District Rabbinical Court to issue an order forbidding her to leave the country. The court held an emergency Friday session and issued the order. At the same time, the husband sued for divorce. After a short visit of his own to the U.S., the husband found out that his wife had taken advantage of his absence and had taken their son to the U.S. He argued in court that she refuses to return to Israel.

The father argued that keeping his son out of Israel will cause the boy irreparable damage. "The good of the child requires that he continue to grow up and be educated in Israel, and that he not be separated from his father," the petition states. (Itim)

## Lay-off threat surprises workers at Kiryat Gat factory

KIRYAT GAT (Itim).—The management of the Ligat clothing factory here, part of the Polgat concern, last week informed the factory works committee that it intends to lay off 58 workers as an efficiency move.

Ligat workers responded with shock to the management letter, since the factory is operating three shifts a day and to the best of their knowledge has not suffered a drop in orders. Works committee members say the management list of workers to be laid off takes no account of seniority or the workers' positions in the factory. The committee has turned to the local labour council for assistance.

According to the secretary of the trade-union section of the Kiryat Gat Labour Council, Moshe Eini, dismissal letters have not yet been sent to the workers. From initial contacts with the management it seems possible that the number of dismissals can be reduced, Eini said. Meanwhile, it was reported yesterday that the number of workers in the country who were unemployed for six days or more rose 14 per cent last month compared to September. The Employment Service research and information de-

partment termed the increase "significant."

Last month 16,293 workers were unemployed for six days or more, about 2,000 more than in September. The total number of job seekers, however, rose only 2.5 per cent, to 41,735 last month. In several areas of the country, including Jerusalem, Upper Galilee, and parts of the Negev, there was actually a slight decrease in jobseekers.

The Employment Service also reported that requests for workers fell off slightly, from 16,520 in September to 15,977 last month. For more than 1,000 of these positions no suitable candidates were found.

Employment officials in the Sharon area reported a sharp increase in jobseekers last month and a corresponding drop in requests for workers.

The Tel Aviv Labour Council said yesterday it would begin a public struggle to reopen the Alaska Sport-life factory in Hader Yosef, whose workers have been on forced vacation for the last 10 days. Yesterday morning it became known that the Tel Aviv municipality had ordered the factory to close in May of last year. Alaska Sportlife is owned by a subsidiary of Ata.

## Montefiore bicentenary marked at Beit Hanassi

Jerusalem Post Reporter

London barrister Harold Sebag Montefiore and his wife Harriet were among the guests of a gathering at Beit Hanassi yesterday celebrating the 200th anniversary of the birth of philanthropist Sir Moses Montefiore.

Harold Montefiore, whose great-grandfather was a nephew to Sir Moses, told the gathering that the latter had kept a banner above his bed that read, "If I forget thee O Jerusalem, may my right hand forget its cunning," and added: "My family will never forget its connections with Jerusalem."

## Suspect charged in students' murders

Jerusalem Post Reporter

Issa Nimer Abed Rabu, a 22-year-old resident of the Dehaishe refugee camp, was formally charged yesterday, before the Ramallah military court with the premeditated murder two weeks ago of students Revital Seif and Ron Levi.

Rabu, who was arrested only a few hours after the murder, also faces charges of the illegal possession of a weapon and of undergoing illegal weapons-training.

According to the charge sheet,

Rabu stole a Galil automatic rifle and used it to shoot the two students, who were hiking near the Cremisan monastery at Beit Jalla. He first forced Seri to bind Levi's hands, then bound her, blindfolded and gagged both and then shot them in the head at close range, according to the charges based on his confession and on his reconstruction of the crime.

Rabu said that he carried out the executions in revenge for the alleged shooting of his cousin by Border Police patrolmen two years ago.

## Faucets may run dry in north and south

Jerusalem Post Reporter

TEL AVIV.—Residents of the Krayot area north of Haifa and of Holon and Bat Yam south of Tel Aviv may suffer water-supply disruptions today.

Electric Corporation spokesman Avi Raviv told *The Jerusalem Post* yesterday that Mekorot, the national water company, owed IS3.6 billion that was due on October 20.

Because of this debt, the IEC cut off electricity to 25 water-pumping installations in different parts of the country two weeks ago.

"We chose those sites specially since we knew that they did not supply drinking water to residential areas," the spokesman said.

"But now that two weeks have passed and Mekorot has not paid its bill, we have decided to take stronger measures and cut off the power to installations that supply drinking water to residential areas."

Yesterday afternoon the Finance Ministry informed Mekorot it was releasing IS2.5 billion that it had frozen from money due Mekorot.

Mekorot spokesman Mordechai Yacobovitch told *The Post* that as soon as they receive the money, they will transfer the sum, plus an additional IS1.1b., obtained as a loan, to the IEC.

Nevertheless, it is likely there will be disruptions in the water supply until the debt is paid in a couple of days.

## Curfew in Dhahiriya lifted after four days

Jerusalem Post Reporter

The curfew on Dhahiriya village south of Hebron was lifted yesterday after it was imposed four days ago because of stone-throwing attacks on passing Israeli traffic.

Three cars were damaged but no one was injured in the attacks last week.

Dhahiriya has become notorious for such attacks following the death 18 months ago of a young woman soldier in a stone-throwing incident.

Sporadic stone-throwing incidents were reported from various parts of the West Bank yesterday.

## Body identified as Washington attorney

Jerusalem Post Reporter

The body of a man found near the Israel Museum has been identified as that of Irving Wilner, 76, a Washington attorney. No foul play was involved in the death, the police said.

The body was discovered last month. However, only recently friends reported he was missing and in the course of a police investigation the body was identified.

Wilner, a contributor to Israeli projects, including a laboratory at the Technion, worked as a consultant to the U.S. government on American Indian affairs.

He is survived by his wife and children in the U.S.

## Herzog warns against cuts in education

Jerusalem Post Reporter

Calling for restraint and for critical self-examination by the nation's universities, President Chaim Herzog nevertheless warned yesterday of the dangers of too drastic cuts in expenditures on higher education which he said could determine Israel's future.

Speaking at the opening ceremony of the 60th academic year at the Hebrew University of Jerusalem, Herzog said that we must be very careful "not to throw the baby out with the bath water."

Herzog said he deplores the erosion over recent years of the work ethic, tolerance and democratic values, all of which must be stressed in the centres of higher education.

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## Solomon-era water system uncovered at Tel Yokne'am

Impressive fortifications and a water supply system, apparently from the days of King Solomon (10th century BCE) were discovered in the recently completed seventh season of archaeological excavations at Tel Yokne'am, the Hebrew University reports.

The excavations are part of archaeological investigations in the western Jezreel Valley being carried out by the Hebrew University Institute of Archaeology in cooperation with the Israel Exploration Society. Prof. Amnon Ben-Tor of the university is director of the excavations, and Dr. Yuval Portugali of Tel Aviv University is the project architect.

Also uncovered was evidence of the absolute destruction, in the period of King David's reign (10th century BCE), of the community that once thrived at the site. Similar destruction layers of the same period have been discovered at many other sites, including nearby Megiddo.

Traces were discovered of an

enormous fire which destroyed the town towards the end of the 13th century BCE, the period of the settlement of Canaan by the Israelites, leaving a burnt layer and debris to a depth of 1.5 metres. In that level, the archaeologists found several Canaanite pottery vessels, as well as imported Mycenaean pottery testifying to the date of the destruction.

Three levels were uncovered dating from the 12th and 11th centuries BCE (the period of the Judges). The findings indicate a period of tranquillity and continuous development, lasting until the beginning of the 10th century.

Some 70 volunteers from Israel and abroad participated in this year's excavation work.

## Miri Herzog's body to be handed over

EILAT (Itim).—The Egyptian authorities are to hand over today the body of Miri Herzog, the young Israeli who disappeared in Sinai in May or early June, the Egyptian consul in Eilat said yesterday.

The consul, Hassan Issa, said the body would be handed over at the Tabu crossing at 10 a.m.

It will then be flown to Sdeh Dov in Tel Aviv and from there transferred to the institute for forensic medicine at Abu Kabir for autopsy.

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## Mondale needs a political 'miracle' tomorrow

WASHINGTON (Reuters). — Walter Mondale criss-crossed America yesterday in search of a political miracle as the latest major poll predicted flatly that none was in the making.

A poll of close to 9,000 voters by ABC News and The Washington Post Saturday indicated that the Democratic presidential nominee was headed for one of the worst defeats in U.S. history in tomorrow's presidential election.

The poll, conducted in all 50 states and the District of Columbia, showed President Ronald Reagan going into the final days of the campaign with firm or commanding leads in 47 states. Only Hawaii, Rhode Island and Washington state were considered toss-ups.

The ABC-Post poll said Reagan held a 57 to 39 per cent lead over the Democrat and that Mondale right now could be assured of winning only the tiny District of Columbia.

the seat of the U.S. government, which is not a state.

Based on his edge in the poll, Reagan could capture more than 500 votes in the electoral college, when he needs only 270 to win the presidency.

The latest figures were in line with other major polls, which show Reagan ahead by between 16 and 24 points and poised to help his Republican Party make further inroads in the Senate and the House of Representatives.

Mondale was paying no attention to the polls as the long presidential race neared its climax. Instead, he embarked on a back-breaking trip yesterday to Tennessee in the South, Texas in the Southwest, Iowa in the Middle West and California on the Pacific Coast.

His message, to both the converted and the dubious, was that he is about the pull off the biggest political upset ever seen in the U.S.

Only once have the polls been wrong in predicting the outcome of a presidential race — in 1948 when Harry Truman confounded the experts. But in that case, the pollsters stopped taking samples in the final two weeks. Another polling fiasco occurred in the 1936 presidential election, when *Liberty* magazine, on the basis of a telephone poll among its subscribers, predicted that Alfred Landon, governor of Kansas, would defeat Franklin Roosevelt in his bid for a second term. In the event Roosevelt defeated Landon by 26 million to 16 million popular votes, and 523-8 electoral college votes, Landon winning only the votes of the Maine and Vermont electors. *Liberty* folded after the election.

In addition to the presidential race, all but eight of the 435 seats in the Democratic-controlled House are up for election and 33 of the 100 seats in the Republican-dominated Senate.

## Sandinistas assured of election victory

MANAGUA (Reuters). — Nicaraguans voted yesterday in elections overshadowed by the left-wing leadership's conflict with the U.S. and designed partly to stop Washington from ordering troops into Nicaragua.

Victory for the ruling Sandinista National Liberation Front is assured, but there is little hope that the ballot will solve the country's most urgent problems — a costly war and severe economic hardship.

The Sandinistas believe that the elections, the first since they overthrew the Washington-backed dictatorship of Anastasio Somoza in 1979, will lend greater legitimacy to their leadership and make it more difficult for the U.S. to crush it by force.

Both Daniel Ortega and Sergio Ramirez, the Sandinistas' candidates for president and vice-president, said on the eve of the poll one aim is to win international recognition for an elected government. "With elections... the U.S. government will have less pretext for direct intervention," Ramirez said.

(Quest — back page)

## Stalin's daughter returns to USSR 'disillusioned'

LONDON (AP). — The daughter of Soviet dictator Josef Stalin, who returned to Moscow on Friday, 17 years after defecting, wrote to a friend that she was disillusioned with the West and upset at the way she was treated by U.S. agents. *The Sunday Times* of London reported.

And a neighbour said Saturday that she had a heated half-hour argument with her teenage American daughter, apparently about her decision to return to Moscow, on the night before the two disappeared from their Cambridge apartment.

The *Times* quoted a letter from Svetlana Alliluyeva to journalist Miriam Gross in which she wrote: "What a terrible blow it is only to find out that on the other side of the world there are just the same idiots, incompetent fools, frightened bureaucrats, confused bosses, paranoid fears of deception and surveillance, and all as it was there, behind the Iron Curtain."

It quoted her as complaining that the U.S. Central Intelligence Agency handlers who looked after her

treated her as their "private property" and "personal pet."

She felt she had disappointed them because "I never possessed any personal revelations... My father never had been a kind of sentimental father, who chats near the fireplace 'with the family' about his most secret thoughts," *The Times* quoted her as writing.

One letter was quoted as warning defectors against expecting too much of the West.

"This loss of idealism toward the free world is what happens to defectors only too often. Because we all relied too much on propaganda, which had been telling us that there, on the other shore, in a promised land of freedom, things are different."

She wrote in March: "I am a tired woman and disgusted."

The *Observer* newspaper quoted her English friend, Jane Renshaw, as saying her most pressing reason for returning to Moscow may have been to visit her son, Josef, 37, who has been seriously ill but has now recovered.

## Sports

## Tennis Nationals start in capital

By JACK LEON  
Post Sports Reporter  
TEL AVIV. — Israel's No. 2 racketeer Shahar Perkis goes into this week's annual national tennis championships in Jerusalem in good heart, after having just been named by the Association of Tennis Professionals as second favourite behind American Robert Green for its prestigious "newcomer of the year" award.

Perkis, 22, received his nomination in the Association's 1984 awards ballot by virtue of having climbed some 225 places up the ATP world singles rankings this year, to attain his current 74th position in the standings. Long-time Israeli champion Sholomo Glickstein was a favourite for this annual "rookie of the year" award in 1979, but in the final ballot he was edged into second place by Mel Purcell of the U.S.

Glickstein, 26, is going for his eighth in straight national singles title in Jerusalem, where he is seeded No. 1 in the 28-draw, with Perkis, Amos Mansdorf and Eilon Sinai following him in that order. Glickstein is at present several places below Perkis on the ATP computer.

The tournament, organized by the local Tennis Association, starts at 2 p.m. today at the capital's Israel Tennis Centre courts and ends on Friday, when the final will be played.

## English quit India again

NEW DELHI (Reuters). — The England cricket team left for Colombo yesterday after their tour of India was disrupted by violence triggered by the assassination of Prime Minister Indira Gandhi.

The tourists will play a three-day match against the President's XI in Colombo on Wednesday and a one-day match against Sri Lanka there on Saturday, before returning here around November 11 to resume their Indian tour, team officials said.

In Perth, tremendous fast bowling by Michael Holding and his young Jamaican protégé Courtney Walsh tore the Western Australian batting in their second innings to shreds. After the Australians were dismissed for 111, Desmond Haynes (60 not out) and Richie Richardson (29 not out) powered the Australian bowling all over the field, enabling the West Indians to win by nine wickets with more than a day to spare. Holding's fiery performance was well for the West Indies in the first Test, starting on Friday, although they may be without the injured J. Garner. Scores: Western Australia 317/3 dec. and 111; West Indies 302 and 129 for 1.

In Colombo, New Zealand beat Sri Lanka in the second and final one-day international, defeating the tourists by 114 runs in 49 overs. New Zealand 118 for 3 in 31.4 overs.

## Harrow draw

PETAR TIKVA. — The Harrow cricket club drew the final match of their six-day tour of Israel in a dramatic game with a Maccabi Petach Tikva Invitation XI.

Put to rest, the Englishmen compiled 19 Newton 49, Omer 42, Davidson 6 for 1, Homburg 4 for 19. Maccabi Petach Tikva were 119 for seven at stumps. (Moss 41, Mason 3 for 47).

## SCOREBOARD

NHL ICE HOCKEY: Los Angeles Kings 7, Toronto Maple Leafs 6; Quebec Nordiques 5, New York Islanders 4; Washington Capitals 5, New Jersey Devils 4; Philadelphia Flyers 5, North Stars 1; Buffalo Sabres 4, Hartford 4; New York Rangers 7, Pittsburgh Penguins 7; St. Louis Blues 5, Calgary Flames 2; Vancouver Canucks 6, Chicago Black Hawks 4; Montreal Canadiens 3, Boston Bruins 1.

TENNIS: Zina Garrison (U.S.) won the \$150,000 Zurich Indoors Tournament, defeating Claudia in the final 6-1, 6-6, 6-2. First Gilbert won the \$75,000 Taipei Open, beating Wally Masaro 6-3, 6-3 in the final.

GOLF: Greg Norman won the Australian PGA in Sydney with 277, eight strokes ahead of Roger Davis.

## NBA Basketball

NEW YORK (AP). — Following are the national basketball association standings following Saturday night's games:

Eastern Conference				
Team	W	L	Pct.	GB
Philadelphia	4	0	1.000	
Boston	3	0	1.000	
New Jersey	3	0	1.000	
Washington	2	0	.667	
New York	2	0	.333	2 1/2
Central Division				
Milwaukee	4	1	.800	
Chicago	3	1	.750	
Atlanta	3	1	.750	
Detroit	3	1	.750	
Indiana	1	3	.250	2 1/2
Cleveland	1	3	.250	4
Western Conference				
Team	W	L	Pct.	GB
Houston	3	0	1.000	
San Antonio	3	0	1.000	
Denver	3	0	1.000	
Utah	3	0	1.000	
Dallas	2	0	.667	2 1/2
Kansas City	2	0	.667	4
Midwest Division				
Phoenix	3	0	1.000	
L.A. Clippers	2	0	.667	2 1/2
Portland	2	0	.667	4 1/2
L.A. Lakers	2	0	.667	6 1/2
Sacramento	1	0	.333	3
Golden State	1	0	.333	4

Saturday's Games  
New Jersey 118, Indiana 117; Atlanta 127, Washington 107; Phoenix 105, Dallas 93; Boston 105, New York 93; Denver 128, Kansas City 114; Milwaukee 117, Cleveland 88; Portland 131, L.A. Clippers 112; Golden State 112, Utah 107.

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## Rally at former U.S. Embassy in Teheran

TEHERAN (Reuters). — Several thousand people demonstrated yesterday outside the former U.S. Embassy on the fifth anniversary of its seizure by radical students, and officials gave no indication that U.S.-Iranian relations might ease.

Eyewitnesses said the crowd was noticeably less than in previous years and much attention was given to another anniversary — of Ayatollah Ruhollah Khomeini's expulsion to Turkey by the shah of Iran 20 years ago yesterday.

The main speaker at yesterday's rally was Mohammad Mousavi-Khoenebni, now the cleric in charge of organizing pilgrimages to Mecca and who in 1979 was Khomeini's representative among the students holding the U.S. hostages.

Last year's demonstration outside the former embassy was addressed by Prime Minister Mir-Hossein Mousavi.

## 7 missing miners are found alive

JOHANNESBURG (AP). — Seven of eight missing black miners were found alive after an underground fire at a gold mine that killed eight other miners.

Three of the seven were hospitalized for observation. But their condition was not serious, said the spokesman for Gencor, owner of the Buffelsfontein gold mine, 189 kilometres west of Johannesburg. Three others, who were rescued were uninjured, and a seventh man who had surfaced safely without reporting to supervisors was found in a mine hostel.

The underground fire, which broke out early Saturday, continued through the day, hampering rescue efforts.

## Sinn Fein leader lauds bomb attack on Thatcher

DUBLIN (AP). — Gerry Adams, leader of the Irish Republican Army's political front, declared yesterday that the bombing that nearly wiped out Prime Minister Margaret Thatcher and the British cabinet last month was "a blow for democracy."

Adams was cheered by delegates to the annual convention of Sinn Fein, the IRA's political arm, when he cited the IRA's "attempted execution of the British cabinet."

Thatcher narrowly escaped death in the October 12 bombing of the Grand Hotel in Brighton, where she and aides were staying during the ruling Conservative Party's annual conference.

Four persons were killed, including a leading Conservative legislator, and 32 were injured, among them Trade Secretary Norman Tebbit.

Adams, 35-year-old president of Sinn Fein, said the bombing "was an inevitable result of the British presence in this country. Far from being a blow against democracy, it was a blow for democracy."

Adams again warned that the British will seek to assassinate Sinn Fein leaders in retaliation for the Brighton bombing.

In London, a spokesman for Britain's Northern Ireland Office termed the charge "absolute nonsense."

The convention unanimously passed a resolution reaffirming "our support for the armed struggle being waged against the British forces of occupation in the six counties (Ulster) and expresses our solidarity with the men and women engaged in the war."

## Uganda refugees bartering EEC food aid

NAIROBI, Kenya (AP). — A UN High Commission for Refugees official confirmed yesterday that Ugandan refugees are bartering European Economic Community food aid that is being sold on the Kampala black market.

The admission follows a report Saturday in Kampala's weekly *Munsoni* newspaper, owned by the leading opposition Democratic Party, that five-kilogram tins of solid cooking oil stamped "UNHCR program

of assistance to Uganda" are being sold for 22,000 Ugandan shillings (\$60) under the counter of at least one downtown store.

"UNHCR officials themselves distributed the oil to refugees in camps in the south-west of the country," a UNHCR spokesman in Kampala said. "But most of them are not using it. For refugees here cooking oil is not a consumer product and we know that they have been exchanging it for maize (corn) flour in the markets."

## Founder of French Communist Party dies at 88

PARIS (AP). — Boris Souvarine, one of the founders of the French Communist Party and the last surviving collaborator of Vladimir Ilyich Lenin and Leon Trotsky, died on Thursday at Necker Hospital. He was 88.

Souvarine, who died of heart failure, lived his last years in relative obscurity. He was born in Kiev in the

Ukraine to a family of Russian Jews. His father took the family to France when Boris was a year old.

He became a militant socialist in 1914, working with the French section of the Workers' International (SFIO).

He was imprisoned in 1920 for his militant activities and it was from his cell that he wrote the famous motion picture presented to the Congress of Tours that year that resulted in a split in the SFIO ranks and the formation of the Communist Party.

## 2 Indian soldiers killed in ambush

NEW DELHI (AP). — Gunmen from a pro-Chinese group ambushed an Indian army convoy near the Burmese border some 1,500 kilometres east of here, killing two soldiers and wounding eight, an Indian news agency reported yesterday.

The United News of India said the army troops returned fire in the Saturday attack, but there was no word of casualties among the gunmen, members of the "National Socialist Council of Nagaland."

## French troops to leave Chad by Friday

N'DJAMENA, Chad (Reuters). — France will pull its troops out of Chad by the scheduled date of November 9, General Yves Bechu, commander-in-chief of the French force in Chad, confirmed yesterday.

Flanked by General Jeannou Lacaze, chief of staff of the French armed forces, and by several senior Chadian officials, Bechu told newsmen that "by their sole presence, French troops have maintained peace in Chad."

Bechu added that the troops had played an important humanitarian role by providing medical assistance and distributing food to drought victims in the Chadian towns where they had been stationed.

France sent some 3,200 troops to Chad in August 1983 to help President Hissene Habre repel a Libyan-backed rebel advance. France and Libya agreed in September to withdraw their troops from Chad.

## ETHIOPIA

(Continued from Page One)

weak enough to qualify for assistance.

Yehualashet Demewer, the RRC's regional representative, says some 50 to 100 persons are killed each day, many of them children too weak to survive hunger-associated illnesses and the chilling night cold at 3,000-metre altitude.

Among the tin-roofed shelters and plastic tents that make up the "intensive-care" unit at Korem, there is a cluster of five canvas tents called the orphanage.

Scores of children lie here, their eyes protruding from their skulls and their small bodies limp skeletons. Whooping cough, measles and diarrhoea, diseases easily treated in the West, kill at least 20 of them a day, RRC officials said.

Some parents, too distressed to watch their children die, leave them at the orphanage and disappear into the mountains, which have turned from light green to a dull brown in the past three years.

Washington's top government aid officer arrived in Addis Ababa yesterday to visit regions of Ethiopia hit by the drought. Peter McPherson, administrator of the U.S. Agency for International Development, met private relief agency staff and Ethiopian government officials and will tour Wollo and Hararge Provinces in the next two days, a U.S. Embassy spokesman said.

## WHAT'S ON

Notices in this feature are charged at IS2415 per line including VAT. Insertion every day of the month costs IS48,300 per line including VAT, per month.

## JERUSALEM

**MUSEUMS**  
Israel Museum Exhibitions: The Armand Hammer Collection, five centuries of masterpieces. The Israel Museum, with Moshe Mizrahi and Nili Nishri. Zigi Ben Ham, sculptures and assemblages. Moshe Kupferman, Paintings. Works on Paper: David Tarkenton, Producer of Israel, Scenic design home theatre sets and greeting cards. Permanent collection of Judaica, Art and Archaeology. Rockefeller Museum: Egypt — the other side of the River — funerary objects. Ticho House, works by Anna Ticho. Henukka lamps, library and garden.

Visiting hours: Main Museum: 10-5. At 11: Guided tour in English. 3: Special guided tour of Archeology Galleries. 3:30: Children's film, "Peanut Ane". 4: Lecture: "Aesthetic Values in the Illustration of Children's Books" with Nuri Yovel.

## CINEMAS

**JERUSALEM 4, 7, 9**  
Eden: Cannonball Run II; Edison: Ninja III; Habibi: Chinatown 4, 7, 9, 15; Kfir: Maria's Lovers; Mitchell: Top Secret 7, 9; Orgel: Party-Texas 4, 6, 30, 9; Orion: Against All Odds 4, 6, 45, 9; Orion: Hot Dog; Orion: Beyond the Walls; Semadar: La Traviata 7, 9; Binyamin Ha'ama: Cross Creek 7, 9, 15; Cinema One: I Love You Carmen 7; Fritz the Cat 9; Cinemaquest: Zazie dans le Metro 9, 30; Israel Museum: Peau d'ane 3, 30.

**TEL AVIV 4, 7, 9, 15, 30**  
Alhambra: Ninja III; Ben-Yehuda: Woman in Red; Cinema 1: Splash 4, 7, 20, 9, 45; Cinema 2: Reuben Reuben 4, 7, 20, 9, 45; Cinema 3: Romanizing the Stone 4, 7, 20, 9, 45; Cinema 4: Big Chill 10, 30, 1, 5, 7, 25, 9, 40; Cinema 5: Police Academy 10, 30, 1, 5, 7, 25, 9, 40; Cinema 6: Flying High 4, 7, 9, 30; Cinema 7: Forced Witness 4, 7, 9, 30; Cinema 8: Against All Odds;

## CONDUCTED TOURS

**BAGDAD** — Guided tour of all installations. Hourly tours at Kiyat Hadassah and Hadassah Mt. Scopus. \* Information, reservations: Tel. 416333, 02-462271.

## HEBREW UNIVERSITY

1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9 and 28.  
2. Mount Scopus tours 11 a.m. from the Broomfield Reception Center. Special tours, including Buses 9 and 28 to last stop. Further details: Tel. 02-882819.

## AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours — 8 Alitali Street, Jerusalem. Tel. 02-699222.

## Tel Aviv

**MUSEUMS**  
Tel Aviv Museum, Exhibitions: Art of Sardinia until the end of the Nuraghi period. The Zone.

## Haifa

What's On in Haifa, dial 04-640840.

## RAMAT GAN

Amos: Beyond the Walls 7, 15, 9, 30; Carmelo 4, 30; Lily: Woman in Red 7, 15, 9, 30; Omer: Splash 4, 7, 20, 9, 30; Omer: Ziggag Story 7, 15, 9, 30; Ramat Gan: L'Avare 7, 30, 9, 30.

## HERZLIYA

David: Funny People II, 4, 30, 7, 15, 9, 30; Rechel: Forced Witness 7, 15, 9, 30; Ben-Zion: Seven 4, 30; Tiferet: Moscow on the Hudson 7, 15, 9, 30; Sun., Mon. 4, 30.

## HOLON

Migdal: Splash 7, 15, 9, 30; Savary: Jaws III 4, 30, 7, 15, 9, 30.

## BAYTAM

Amos: Forced Witness 7, 15, 9, 30; Star Trek III, 4, 30.

## ENTERTAINMENT

## TELEVISION

**EDUCATIONAL**  
8:15 School Broadcasts 15:00 No Secrets 15:25 Pinocchio (part 5) 15:45 Cosmos — the shores of the cosmic ocean 17:00 A New Evening — live magazine  
**CHILDREN'S PROGRAMMES**  
17:30 Kites — programme for 8-12 year olds 18:00 Diff'rent Strokes. Hurry for Hollywood (part 2)  
**ARABIC LANGUAGE** programmes:  
18:30 News roundup  
18:35 Programme Trailer  
18:35 Sport  
19:30 News  
**HEBREW PROGRAMMES** resume at 20:00 with a news roundup  
20:00 Fame: I never danced with my father 20:50 Beauty Spot — tips for hicks and tips 21:00 Mabat: Neustel  
21:30 Reserve Duty. Part 10 of a 12-part Israeli series starring Lawrence Price, David Menahem and Motti Baharav  
22:10 This Is the Time  
23:00 Callan — British espionage series starring Edward Woodward, Russell Hunter and Patrick Mower. None of your Business  
23:50 News  
**JORDAN TV** (unofficial)  
17:30 Cartoons 18:00 French Hour 18, 30 (TV 3) Science film 10:00 News in French 19:30 News in Hebrew 20:00 News in Arabic 20:30 Just Good Friends 21:10 Heart of a Dragon 22:00 News in English 22:15 Jemima Shore Investigates  
**MIDDLE EAST TV** (from T.A. north)  
Club 14:30 Share-Up 15:00 Afternoon Movie 16:30 Spiderman 17:00 Popeye 17:30 Super Book 18:00 Laramie 19:00 Bonanza 20:00 Another Life 20:30 World News Tonight 21:00 Entertainment Special WKRP Cincinnati 21:30 NBA Basketball 22:54 700 Club 23:24 News Update

## ON THE AIR

**Voice of Music**  
6:02 Musical Club  
7:07 Bach: Harpsichord Concerto in F minor; German: Concerto Grosso  
7:30 Mozart: Flute Quartet in C major, K.255 (Bennett); Suk: Scherzo Fantasy; Rachmaninoff: Symphonic Dances, Op.45

## First Programme

6:13 Programmes for Olim  
7:30 Morning Concert (from Voice of Music)  
9:30 Encounter — live family magazine  
10:30 Programme in Easy Hebrew  
11:00 School Broadcasts  
11:30 Education for all  
12:05 Sephardi songs  
13:00 News in English  
13:30 News in French

## Second Programme

6:12 Gymnastics  
6:30 Editorial Review  
6:55 Green Light — drivers' corner  
7:07 This Morning — news magazine  
7:05 Safe Journey  
9:05 House Call — with Rivka Michaeli  
10:10 All Shades of the Network  
12:10 Open Line — news and music  
13:00 Midday — news commentary, music  
14:00 Matters of Interest — with Gabi Gazit  
15:05 Magic Moments — favourite old songs  
16:10 Safe Journey  
17:10 Economic Magazine  
17:30 Of Men and Figures  
18:00 Consumer Broadcast  
18:48 Today in Sport  
19:05 Today — radio newscast  
19:30 Law and Justice Magazine  
20:05 Cantorial Hit Parade  
22:05 Jazz Corner  
23:05 Treasure Hunt — introduced by Moshe Tzoref

## Army

6:10 Morning Sounds  
6:30 University on the Air  
7:07 — 7:07 — with Alex Anski  
8:05 Right Now — with Shmuel Nehushtan  
11:05 Israeli Autumn — with Eli Yitzraeli  
13:15 Two Hours  
14:05 Time Out  
16:05 Four in the Afternoon  
17:05 Evening Concert  
18:05 Army and Defence Magazine  
19:05 Music Today — music magazine  
20:05 Golden Oldies Hit Parade  
21:00 Mabat — TV Newscast  
21:35 University on the Air (repeat)  
22:05 Popular songs  
22:05 Interview of the Week (repeat)  
01:05 Night Birds — songs, chat



# India's Ordeal

## The Hatreds That Killed Indira Gandhi Test Her Son

By JAMES M. MARKHAM

NEW DELHI — Indira Gandhi dominated the political life of India for nearly two decades, but when she was cut down last week by two Sikh bodyguards outside her home, she left a legacy of profound uncertainty.

As Mrs. Gandhi's body was cremated yesterday before hundreds of thousands of mourners, the world's biggest democracy found itself under the leadership of a 40-year-old former airline pilot, whose ambition only a few years ago had been to qualify on a Boeing jet. A reluctant politician, Rajiv Gandhi brings to the immense task before him a resonant name — and exactly three years of political experience as his mother's understudy. Elevated in dynastic succession, the slain Prime Minister's son must govern an India sorely tested by violence.

In the 37 years since India achieved independence from Britain, its political class had until last week only twice had to manage a succession brought about by the death of a prime minister, and both cases were peaceful. At the passing of Jawaharlal Nehru in 1964 and Lal Bahadur Shastri two years later, the streets remained calm as the barons of the Congress Party unburiedly brokered the handover to a new leader. In the wake of the assassination Wednesday, gangs of thugs sowed terror in New Delhi, Calcutta and other cities and towns, murdering Sikhs and burning their property in horrific scenes that recalled the bloodshed accompanying independence in 1947. And, with little regard for parliamentary norms or tradition, the party's parliamentary membership was reduced to ratifying Mr. Gandhi's designation by a nervous central committee. Outside the building where his mother's body lay in state, crowds of party underlings chanted, "Blood for blood!" It was a long way from the nonviolence preached by Mohandas K. Gandhi.

The disarming contrast with the two earlier successions underscores the erosion of institutions that has taken place since Jawaharlal Nehru's untested daughter first became Prime Minister in 1966. As she consolidated her power, Mrs. Gandhi systematically undercut the Congress Party barons who had hoped to make her their instrument. In her unflinching determination to keep all challengers at bay, she left a political void, splitting and reducing the proud party to such a personal instrument that it now actually bears the initials of her first name — Congress-I. Rajiv Gandhi was her ineluctable successor because without the Gandhi stamp the party would have little sense or cohesion. The fragmented opposition parties are in no better shape, and none is led by a figure of great national weight. One of Mrs. Gandhi's closest advisers commented privately last week that, for all his



Soldiers on guard after chasing mob that burned a truck in Calcutta last week; Indira Gandhi with her son Rajiv, in 1982; mourners waiting to view Mrs. Gandhi's body in New Delhi.

Associated Press; Gamma-Liaison/Pablo Bartholomew

inexperience, her son at least has a name that transcends sectarian or regional confines.

The weakening of political parties has encouraged politicians to mobilize inflammable religious and ethnic constituencies, which have never been far below the surface of political life here but which Nehru's Congress Party had sought to tame. Mrs. Gandhi was not beyond appealing to such primal loyalties. Her party at times used the kind of toughs who roamed the streets last week. The last two years of Mrs. Gandhi's rule witnessed some of the most ferocious outbursts of communal butchery since partition — in tribal Assam, in the slums outside Bombay and in Punjab, the main center of Sikhism.

### Progress and Strife

Paradoxically, economic betterment has not brought greater stability. Some of the tensions that exploded in killing, particularly in grain-rich Punjab, were sharpened by prosperity. The so-called "green revolution" that coincided with Mrs. Gandhi's time in office raised the political stakes in Punjab, accentuating disputes over scarce water resources and pitting Hindu factory owners

against Sikh farmers. At the same time, across India's varied religious spectrum, Hindu, Sikh and Moslem fundamentalism has been on the upswing.

Perhaps the most striking thing about last week's orgy of killing in which hundreds died was not that it took place — thuggery in communal guise is no novelty in India — but that the police did so little to stop it. As palls of smoke rose across New Delhi, the capital's police chief, a cousin of the dead Prime Minister, mourned by her bier instead of commanding his men. Yesterday, the police became more aggressive, opening fire on rioters in New Delhi. Across the country, confidence in the police is on the decline, which prompts some communities to arm in self-defense and increasingly obliges the authorities to resort to the army.

The army was sent into Punjab and five months later it is still mired in policing the strategic province, which borders Pakistan. Yet, as the assassination so dramatically demonstrated, Sikh terrorism has not been eliminated. So far, the British-inspired military establishment has remained impeccably nonpolitical in the succession from one Gandhi to another, as it was in previous trans-

fers of power. But not even the army, a much-admired symbol of national unity, has been immune to the communal virus. After the army assault on the Golden Temple, the Sikh shrine in Amritsar, Sikh soldiers deserted in large numbers.

The country's tempestuous domestic affairs are likely to occupy most of Rajiv Gandhi's immediate attention. When he is able to take a look abroad, he is expected to hew to India's well-trodden path of nonalignment, one of the most enduring foreign policy legacies of Nehru, his grandfather. Some diplomats hope that the new Prime Minister may improve ties with Pakistan, which were complicated by his mother's prickly personality. (Pakistan's President, Mohammad Zia ul-Haq, was conspicuously among the first heads of state to send a message of condolence.) It was clear that Mr. Gandhi's most urgent task was the restoration of order. "Communal madness will destroy us," he warned the country on television.

One politically difficult decision for the young Prime Minister will be whether to call or postpone national parliamentary elections. Parliament's mandate expires on Jan. 20. While elections could be constitutionally postponed until spring, many politicians believe that he would be wise to call a snap election, hoping to ride a crest of sympathy for his martyred mother. Should this welling of support fail to materialize, however, he could lose the election, even though the opposition ranks offer no obvious alternative. A third and more ominous option would be to proclaim a national emergency because of the violence. Mrs. Gandhi imposed an emergency in 1975, and was routed at the polls when it was lifted two years later.

As the 1977 elections showed, India's democracy is capable of extraordinary resiliency even at its darkest moments. There seems no doubt that the nation is passing through one of those moments now. As Indian commentators look back on Mrs. Gandhi's years in and out of power, they reach for words like "determination," "will," "tenacity," "grit" and "pragmatism." Her specific contributions to India are somehow seen as more nebulous; her greatest accomplishment seems to be that by dint of personality she held the turbulent country together. She is not cited for the high ideals of Mahatma Gandhi or her father, Nehru. For the moment, the age of heroes seems to be over in India. Its destiny today lies in the hands of a hero's grandson.

## ELECTION '84: Time to Hear From the People

# As Campaign Ends, Parties Prepare for a New Political Era

By HOWELL RAINES

IN two days, the people will take over from the poll takers as the sovereign arbiters of the political fates of President Reagan and Walter F. Mondale.

Some commentators insist that opinion polls and the dominance of television have conspired to make this election a footnote to a process that has already declared Mr. Reagan the winner. But no one who has spent a lot of time talking to voters is likely to buy such arguments about the malleability of the 80 million to 100 million Americans expected to vote Tuesday. Elections finally get down to a human process — people choosing which of two candidates they like better. Often, the choice can have as much to do with feelings and with emerging demographic trends as with issues. If nothing else, the Reagan-Mondale campaign has brought these dimensions of the political process into sharp focus.

Win or lose, Ronald Reagan has a secure place alongside John F. Kennedy in the front ranks of the master performers of the television age. The Administration's success in using official events for campaign purposes — the President's reunion with the veterans of the D-Day assault at Point du Hoc is a prime example — has established Michael K. Deaver, the White House deputy chief, as the best political stage manager yet. The Reagan team has also advanced the art of political filmmaking; even some Mondale advisers said that they wept with emotion at the 18-minute film used to introduce the President at the Republican National Convention in Dallas.

Why has a campaign based on likability and ideological imagemaking done so well? This question has been posed repeatedly by frustrated Democrats. The findings of a recent New York Times/CBS News Poll suggest part of the answer: 40 per-

cent of the voters regard Mr. Mondale as a strong leader; 70 percent think of Mr. Reagan as one. Mr. Mondale's approval rating is 38 percent; his disapproval rating is 33 percent, as political strategists put it, is 43 percent. Mr. Reagan's approval rating is 57 percent.

### Issues, Anyone?

In other words, many voters seem to like Mr. Reagan and to feel indifferent about Mr. Mondale, and so have never really tuned in to the Democratic nominee's attempts to make this election a contest on issues rather than a referendum on Mr. Reagan's personality.

But Mr. Reagan's poll taker, Richard Wirthlin, argues that the reason for the incumbent's political strength "runs more deeply than the fact that Reagan is liked." Millions of Americans, he said, agree with his policies.

Mr. Mondale's approval problems had been demonstrated to the Democratic party establishment early on. Last spring, almost six out of 10 Democratic primary voters went for someone else. Even so, the party leadership supported him for the nomination in the hope that the former Vice President, a seasoned champion of Democratic principles, could close the popularity gap once the general election contest started.

Both Mr. Mondale and his strategists worked to increase the Democrats' appeal. One reason for selecting Representative Geraldine A. Ferraro for the Vice Presidential spot, party leaders say, was that she would lend some warmth to the ticket. Democrats acknowledge that the gains in this regard were limited by the emergence of questions about her husband's finances.

As the 1984 contest has wound on, many political professionals have been looking to the future. In both parties, there is a powerful sense that American politics is settling into new patterns. After the election, both

face potentially rending choices.

Mr. Reagan's political successes in 1980 and since have sowed the seeds for a divisive struggle. A coalition of fundamentalist Protestants and Roman Catholics influenced a party platform on social issues this year that included a Federal ban on abortions. But Republican political analysts agree that the younger voters on whom the President's hope for an "historic realignment" rests are "libertarian" in social philosophy and hostile to direction on such matters of personal behavior.

### Tradition Under Attack

Democrats face the realization that the once powerful coalition of traditional liberals, minorities and organized labor has difficulty delivering majorities. Whatever the outcome Tuesday, the strains of this political year have been such that the party rules that now make organized labor the major force in the nomination process will almost certainly come under attack, perhaps as early as Nov. 17, when the Democratic state chairmen meet.

The Reagan-Mondale race has

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Berry Picot

also produced a heightened awareness of the importance of personality in Presidential politics, and that is influencing the way insiders size up the new crop. The Democrats may have brighter prospects for finding exciting Presidential candidates for the future than the Republicans have of finding a candidate who can duplicate Mr. Reagan's appeal.

Vice President Bush's base within the party has been damaged by his erratic performance on the trail this fall. Already, some Reagan campaign officials are looking to Representative Jack F. Kemp as the candidate who might rally the Reagan constituency in 1988. Should it be seized by an adventuresome spirit, the Republican Party has an abundance of qualified women; some party leaders are urging that the G.O.P. close the "gender gap" by putting a woman on the ticket.

If Mr. Mondale loses, the Democratic lineup for 1988 will start with Senators Gary Hart of Colorado and Edward M. Kennedy of Massachusetts in favored positions. They have created the foundations for a national political following in earlier Presidential campaigns, just as Governor Cuomo may have created one with his speech at the Democratic National Convention in San Francisco this year. Then there is another group — including Senator Bill Bradley of New Jersey, Senator Joe Biden of Delaware and Gov. Mark White of Texas — who also have been preparing themselves.

In the end, this election may be the last conducted under the party alignments that have prevailed for the last 50 years. And Mr. Reagan, as the oldest President, has led the nation to the brink of a new dispensation. His mastery of television and skill at political performance will almost certainly create a legacy, too. The nation may well have seen the last contest in which a major party will nominate a candidate like Mr. Mondale, with self-acknowledged faults as a television candidate.



## ELECTION '84

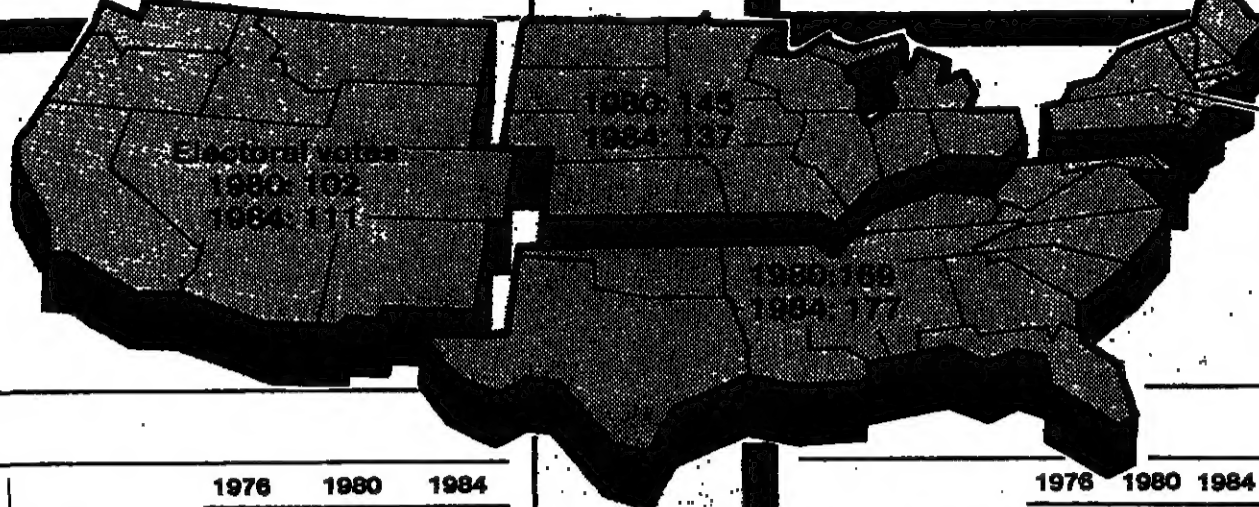
## The Body Politic and ...

## Middle West

	1976	1980	1984		1976	1980	1984
Population (millions)	57.8	58.9	58.4	Percent in poverty	9.9%	11.4%	14.6%*
Percent living...				Median household income	\$13,683	\$18,313	\$21,068*
in cities	31.8%	30.3%	29.3%*	Unemployment (percent of labor force)	6.6%	8.2%	7.5%†
in suburbs	38.9	40.1	41.1*				
outside metropolitan areas	29.3	29.5	29.5*				
Race (percent)							
white	88.6%	88.3%	89.9%				
black	8.5	9.1	8.9				
Hispanic	1.0	2.2	2.4*				
Governors	Current	At stake		Senators	Current	At stake	
Democrats	6	0		Democrats	10	2	
Republicans	6	3		Republicans	14	5	
Representatives	Current	At stake		Representatives	Current	At stake	
Democrats	62	62		Democrats	62	62	
Republicans	51	51		Republicans	51	51	

## Northeast

	1976	1980	1984		1976	1980	1984
Population (millions)	49.3	49.1	49.2	Percent in poverty	10.2%	11.1%	13.4%*
Percent living...				Median household income	\$13,074	\$18,191	\$21,818*
in cities	35.2%	33.8%	33.0%*	Unemployment (percent of labor force)	9.4%	7.1%	6.4%†
in suburbs	53.2	54.3	55.7*				
outside metropolitan areas	11.6	11.9	12.1*				
Race (percent)							
white	87.9%	87.7%	87.8%				
black	8.7	9.8	10.6				
Hispanic	2.5	5.3	5.8*				
Governors	Current	At stake		Senators	Current	At stake	
Democrats	5	1		Democrats	9	3	
Republicans	4	2		Republicans	9	2	
Representatives	Current	At stake		Representatives	Current	At stake	
Democrats	58	58		Democrats	58	58	
Republicans	36	36		Republicans	36	36	
Vacancies	1	1		Vacancies	1	1	



## West (Includes Alaska and Hawaii)

	1976	1980	1984		1976	1980	1984
Population (millions)	38.6	43.2	45.7	Percent in poverty	10.5%	11.4%	14.7%*
Percent living...				Median household income	\$13,038	\$19,008	\$22,217*
in cities	36.4%	35.6%	35.0%*	Unemployment (percent of labor force)	8.6%	6.8%	7.2%†
in suburbs	46.6	47.2	47.8*				
outside metropolitan areas	16.9	17.1	17.2*				
Race (percent)							
white	88.1%	86.3%	86.1%				
black	5.3	5.2	5.8				
Hispanic	7.5	14.5	14.9*				
Governors	Current	At stake		Senators	Current	At stake	
Democrats	9	2		Democrats	8	1	
Republicans	4	1		Republicans	18	6	
Representatives	Current	At stake		Representatives	Current	At stake	
Democrats	46	46		Democrats	46	46	
Republicans	39	39		Republicans	39	39	

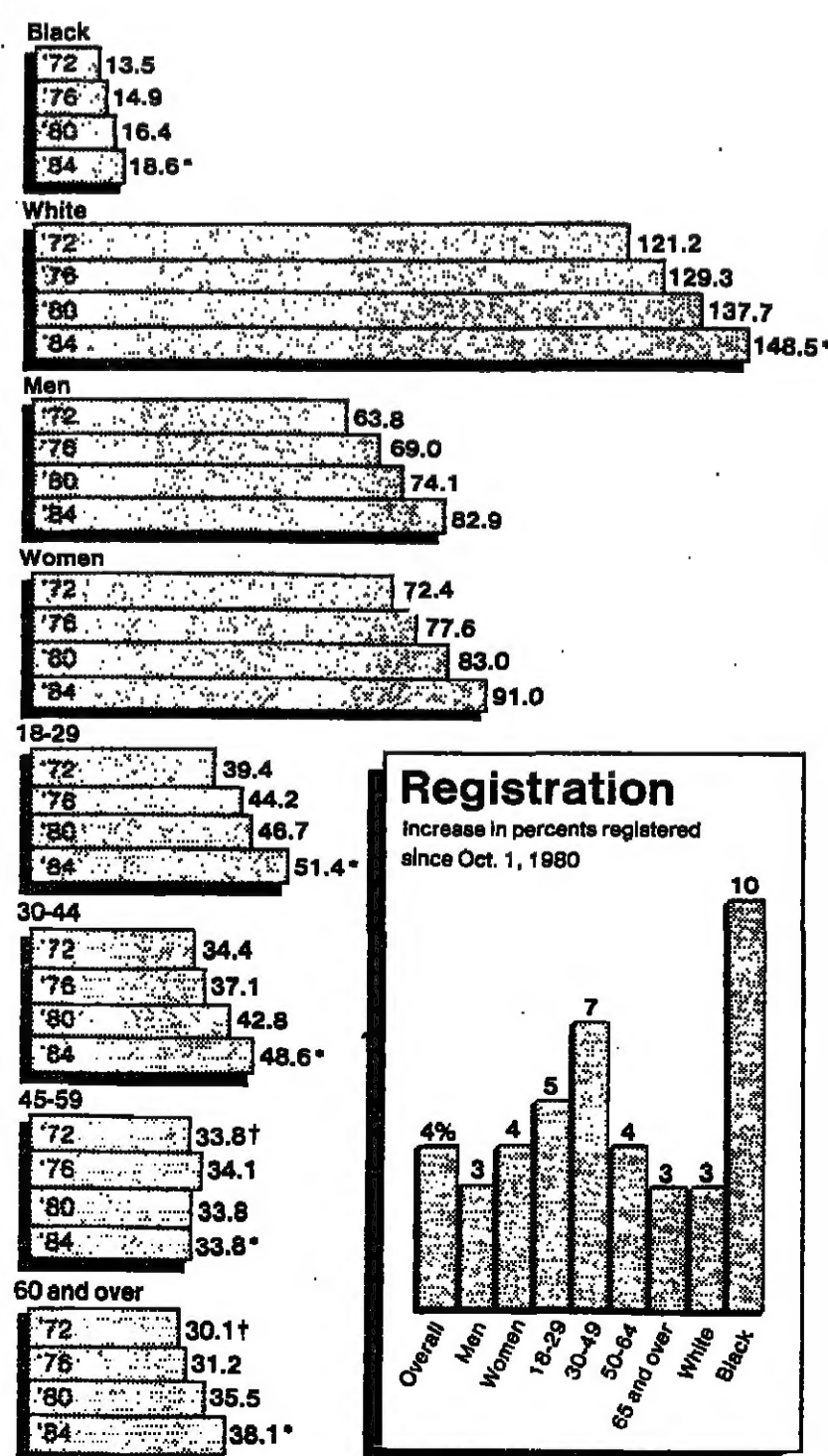
## South

	1976	1980	1984		1976	1980	1984
Population (millions)	68.9	75.4	78.7	Percent in poverty	15.2%	16.5%	17.2%*
Percent living...				Median household income	\$11,461	\$16,298	\$19,386*
in cities	31.2%	30.1%	29.4%*	Unemployment (percent of labor force)	6.7%	6.4%	7.0%†
in suburbs	38.6	38.1	39.4*				
outside metropolitan areas	32.2	31.8	31.2*				
Race (percent)							
white	79.4%	79.1%	80.0%				
black	18.7	18.0	18.7				
Hispanic	3.0	5.9	6.2*				
Governors	Current	At stake		Senators †††	Current	At stake	
Democrats	11	3		Democrats	18	7	
Republicans	5	1		Republicans	14	6	
Representatives †††	Current	At stake		Representatives †††	Current	At stake	
Democrats	100	94		Democrats	100	94	
Republicans	41	39		Republicans	41	39	
Vacancies	1	1		Vacancies	1	1	

## Who Votes and How

## The voting-age population

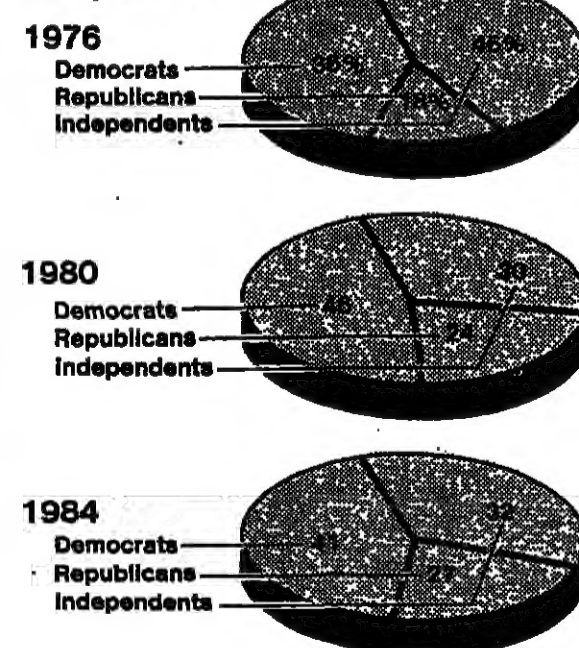
In millions.



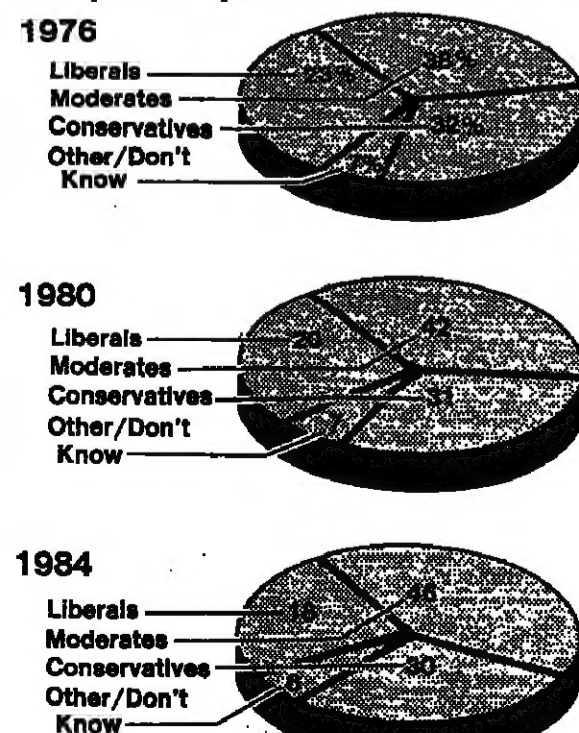
## Political parties and philosophies

Share of registered voters

## The parties



## The philosophies



## Past performances

## 1972

	All voters	Nixon	McGovern	Schultz
White	61%	37%	1%	
Black	13%	32%	1%	
Hispanic	2%	30%	1%	
Men	55%	35%	1%	
Women	45%	35%	1%	
18-29	35%	35%	1%	
30-44	35%	35%	1%	
45-59	35%	35%	1%	
60 and over	35%	35%	1%	
White	61%	37%	1%	
Black	13%	32%	1%	
Hispanic	2%	30%	1%	
Men	55%	35%	1%	
Women	45%	35%	1%	
18-29	35%	35%	1%	
30-44	35%	35%	1%	
45-59	35%	35%	1%	
60 and over	35%	35%	1%	

## 1976

	All voters	Carter	Ford	McCarthy
White	50%	48%	1%	
Black	13%	32%	1%	
Hispanic	2%	30%	1%	
Men	55%	35%	1%	
Women	45%	35%	1%	
18-29	35%	35%	1%	
30-44	35%	35%	1%	
45-59	35%	35%	1%	
60 and over	35%	35%	1%	
White	50%	48%	1%	
Black	13%	32%	1%	
Hispanic	2%	30%	1%	
Men	55%	35%	1%	
Women	45%	35%	1%	
18-29	35%	35%	1%	
30-44	35%	35%	1%	
45-59	35%	35%	1%	
60 and over	35%	35%	1%	

## 1980

	All voters	Carter	Reagan	Anderson
White	41%	51%	7%	
Black	13%	32%	1%	
Hispanic	2%	30%	1%	
Men	55%	35%	1%	
Women	45%	35%	1%	
18-29	35%	35%	1%	
30-44	35%	35%	1%	
45-59	35%	35%	1%	
60 and over	35%	35%	1%	
White	41%	51%	7%	
Black	13%	32%	1%	
Hispanic	2%	30%	1%	
Men	55%	35%	1%	
Women	45%	35%	1%	
18-29	35%	35%	1%	
30-44	35%	35%	1%	
45-59	35%	35%	1%	
60 and over	35%	35%	1%	

Note: In these polls, people were asked to describe themselves as either white, black or Hispanic.

Notes: Except as indicated, the term Hispanic refers to those who classified themselves as of Spanish origin or descent. They can be either white or black.

The poverty level is a sliding scale, defined by the Federal Government, that changes each year and varies with family size.

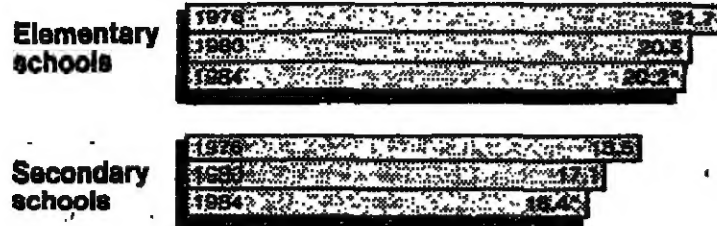


## ELECTION '84

## ... Issues on Its Mind

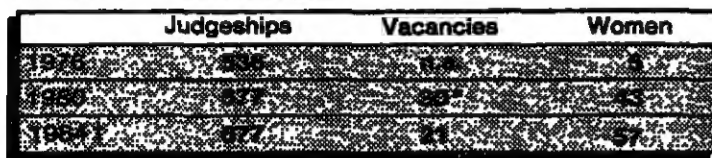
## Education

Average number of students per teacher in public school classrooms



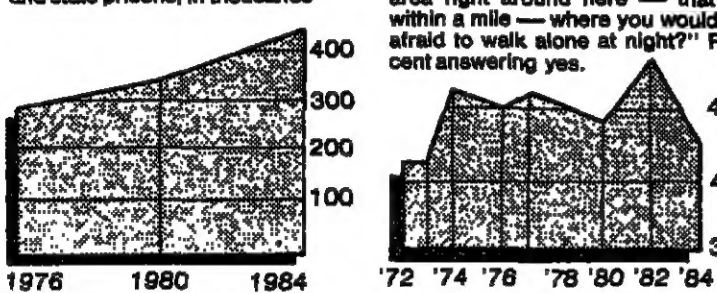
## Law and order

Number of Federal Judges



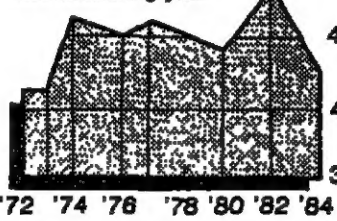
## Prison Population

Number of prisoners in Federal and state prisons, in thousands



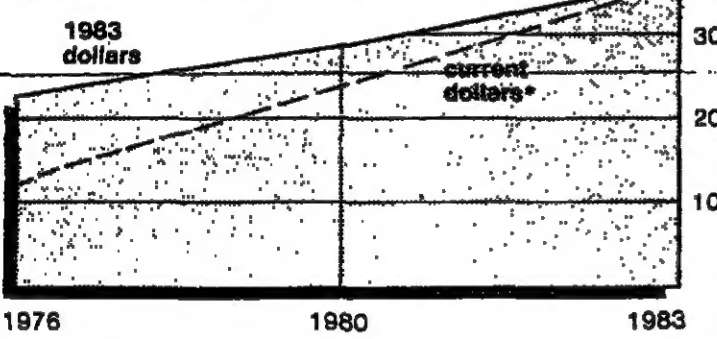
## Fear of crime

People were asked: "Is there any area right around here — that is, within a mile — where you would be afraid to walk alone at night?" Percent answering yes.



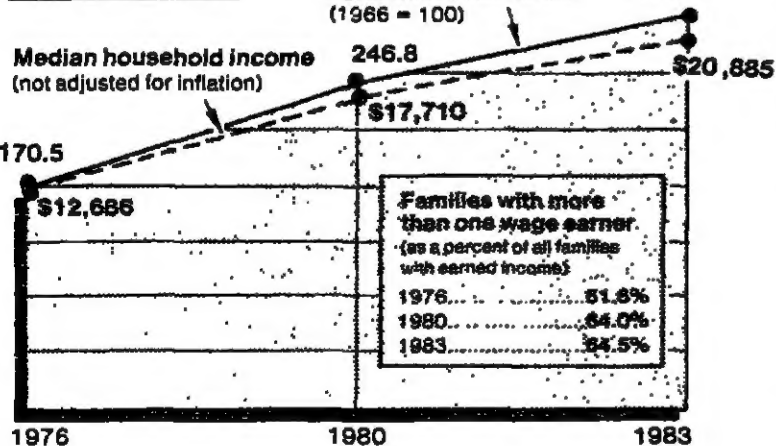
## Health

Average cost of a hospital bed per day



## Work

Making ends meet



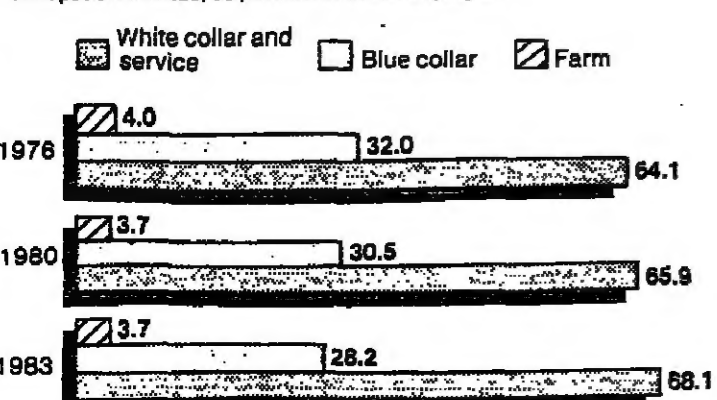
People not in the labor force

	1976	1980	1984*
Total, in millions	60.0	60.8	62.9
Percent who don't want a job	91.3%	90.7%	90.9%
Reason:			
Occupied as homemakers	51.9%	48.1%	44.5%
Students	10.8%	10.4%	11.2%
Percent who want a job	8.7%	9.3%	9.5%
Reason for not looking:			
Think cannot get a job	1.5%	1.6%	1.9%
Students	2.5%	2.5%	2.5%
Home responsibilities	2.0%	2.1%	2.3%

\*third quarter

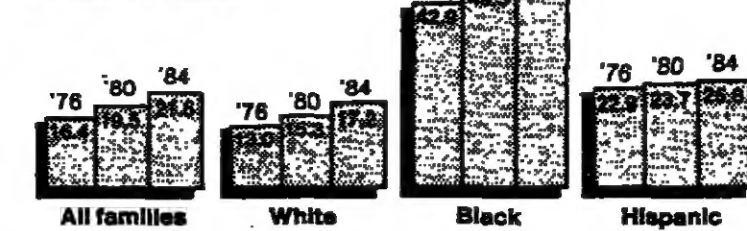
The changing nature of work

Occupational status, as percent of those employed



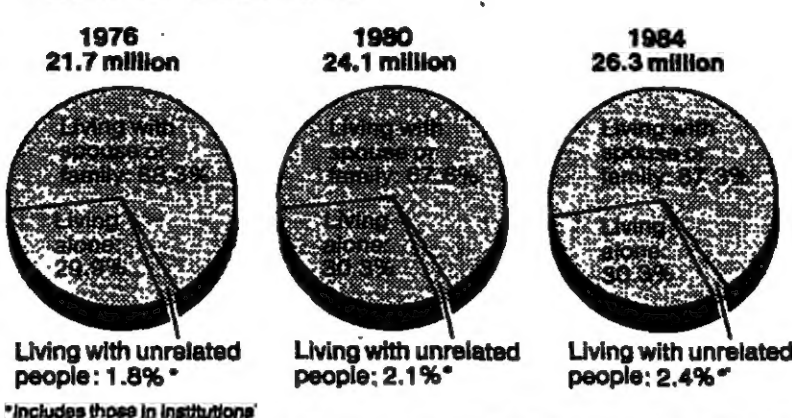
## Family life

Single-parent families as a percent of families with children



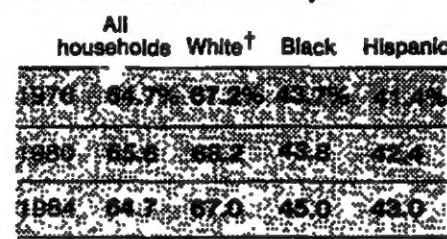
## Elderly people

Those over 65, and where they live

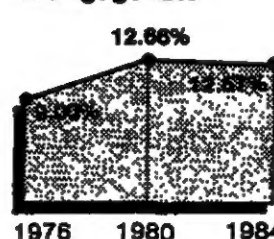


## Household budgets

Rate of home ownership

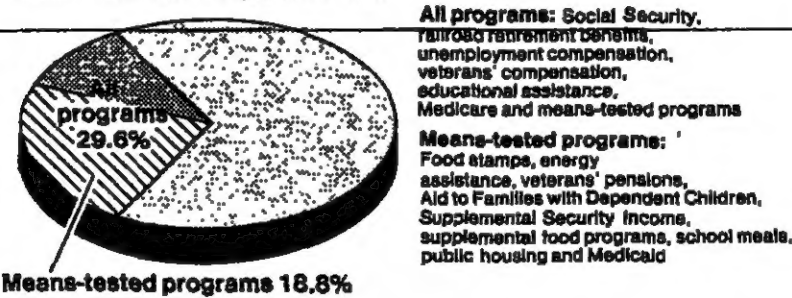


Mortgage rate\*



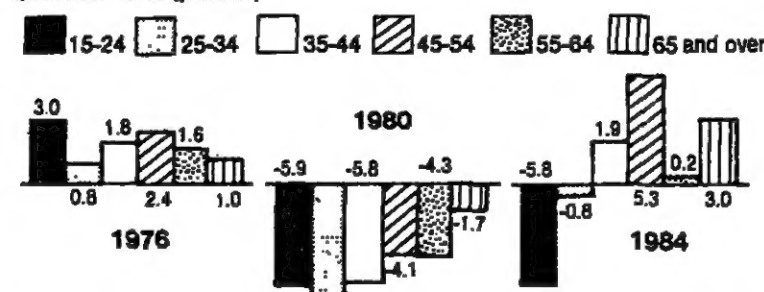
## Help from the Government

Percent of the non-farm population receiving Federal Government assistance, in the third quarter of 1983



## Who's better off

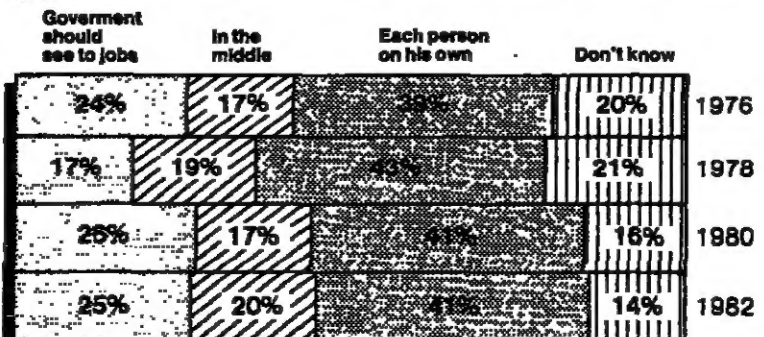
Median income changes from previous year, adjusted for inflation, by age of household head (percent)



## Expectations and anxieties

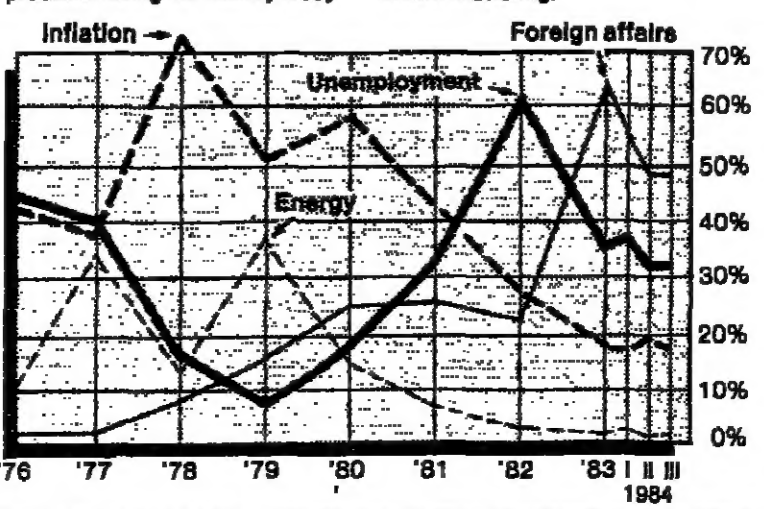
Government obligation vs. personal initiative

"Some feel that the government should see to it that every person has a job and a good standard of living. Others think the government should just let each person get ahead on his own." Percent of people favoring either side.



## Worries of a nation

People were asked: "What do you think are the two most important problems facing the country today?" Percent answering:



## The Mood Has Changed, Along With Much Else

By JOHN HERBERS

WASHINGTON

THE nation that will elect a President, a Congress and thousands of state and local officials on Tuesday is vastly different from the way it was just four years ago. Yet perhaps more remarkable than the changes themselves — most were under way in 1980 — is the perception of change, even about things that have changed very little.

Four years ago, when Ronald Reagan was swept into the White House vowing to alter the course of modern history, Americans were less optimistic than they had been in the past, according to public opinion polls, even though fewer people were in poverty and most were at least marginally better off materially. Now polls show that the traditional American optimism has returned even though the statistics that reflect material well-being are not all that different.

A higher percentage of the population in 1984 is officially designated as poor. Median household income is up slightly but more family members are having to work to keep it there. The unemployment rate is essentially unchanged; last month's rate, reported Friday, was 7.3 percent, one-tenth of 1 percent lower than in January 1981. The percentage of unemployed who have become discouraged and quit looking for work has increased. The percentage of single-parent households has risen. People over 65 make up a larger share of the population and a slightly greater portion of old people is not living with family. Street crime is reported down, but about the same percentage of people say they do not feel safe in their own neighborhoods after dark. And though the country is reported to be more conservative, in the sense of putting more emphasis on individual enterprise, neither the polls nor politics below the Presidential level indicate any massive shift. There was no significant change, for example, in the way respondents divided on whether government should see that people have jobs.

All this tends to support the argument that Americans in recent years are tending more and more to vote their interests on issues in local, state and Congressional elections but to support the person in whom they have the most trust and confidence in Presidential contests. Whatever the outcome on Tuesday, the enthusiastic following that President Reagan has attracted in good times and bad bears this out. During his tenure, heads of households below 35 were the only age group to experience a decline in real income from 1980 to 1984. But young adults have proven to be among his most ardent supporters. Nor is it unusual to find laid-off workers saying that they will vote for him.

One of the most significant changes has been the growth of "Reagan country," as areas of the West and South are frequently called. This will be the first Presidential election in which the electoral vote reflects the great migration from the industrial North to the Sunbelt. It occurred in the 1970's and accelerated during the deep recession of 1982. The electoral change does not take into account shifts after the 1980 census. Even so, the



Harry Pharo

Northeast and Middle West together lost 17 electoral votes, down to 250 from 267 in 1980. The South and West gained the 17, up to 288.

The importance of this migration was pointed up, in part, by unprecedented voter registration drives. Early in the year, private groups favoring the Democrats laid elaborate and expensive plans to register low-income and minority groups, traditionally the largest share of the unregistered. The Democrats did quite well at signing up people in the North, in welfare and unemployment lines as well as among higher income groups who usually vote Democratic. Blacks, the voting group that polls say is most solidly opposed to President Reagan, increased registration more than other groups. Women registered in larger numbers than men. But the Republicans and allied groups spent even more, and in much of "Reagan country" — in California, for one — registered more than the Democrats. They drew in young people signing up to vote for the first time, fundamentalist Christians and migrants from the industrial North who tend to take on the political coloration of their adopted states.

One result is that turnout Tuesday may well reverse a 20-year decline in participation. Four years ago only 52.6 percent of those eligible voted, compared to 62.8 percent in 1960. Curtis B. Gans, director of the nonpartisan Committee for the Study of the American Electorate, a private group, estimated last week that the new registrants, numbering about 12 million, might result in a rate of 55 percent.

Demographic changes have gone on year after year, and the character of the nation has changed in the process. Black, Hispanic and Asian people have been steadily gaining on the white majority as a percentage of the total population, which has risen from 226 million in 1980 to 233 million in 1984. So much of the middle class has dispersed from the big cities to suburbs and scattered areas beyond that "the plight of the cities" as a much debated national issue has all but disappeared.

Finally, the things that concern people the most have changed drastically. In 1980 inflation, which had been quite high after energy cost increases of the late 1970's, was cited most often as an important problem facing the nation. Now that inflation has subsided, so has some of the concern. But concern about unemployment has almost doubled. Polls indicate that people have not gotten over the recent shock of seeing millions idled in search of work in the recession of 1982. And concern over foreign affairs has almost doubled as well. Yet neither these



# The World

## A Long Pullout By Israel From Lebanon

Israel's unity Government came to power in July agreed on the need to withdraw from Lebanon as soon as possible. But amid preparations for talks that start tomorrow, it was clear that leaving would be much harder than entering and occupying.

The 1982 invasion was largely motivated by Israel's desire to secure its northern border against Palestinian attacks and to destroy the Lebanese-based military capacity of the Palestine Liberation Organization. But Palestinian forces remain in the Syrian-occupied areas of the north and the strongest defense against them are the Israeli troops occupying the south. When Israeli and Lebanese officers meet under United Nations auspices at the border town of Naqoura, Israel's security demands will face strong opposition from the Lebanese and Syrians. Months of bargaining are in prospect.

Syria last week gave its approval to the talks but rejected a promise not to enter the areas Israel would evacuate. Nor would it promise to prevent the Palestinians from moving back in. Israel was also asking, against Lebanese opposition, for the continued deployment of the Israeli-backed South Lebanon Army along the border area and the redeployment just north of that of United Nations forces. The Israeli Cabinet also called last week for American mediation to obtain more cooperation from Syria. But with Lebanon and Israel far apart and Syria showing no signs of compromise, the State Department seemed in no hurry to risk another Middle East failure. President Reagan's special envoy, Richard Murphy, refused to make any commitment last week during a visit to Jerusalem. He was expected to go Damascus to get a clearer idea of the Syrian position. In the meantime, Syrian Vice President Abdel Halim Khaddam talked tough. He warned after a meeting with Lebanese President Amin Gemayel that Israeli conditions "for" withdrawal would lead to further attacks by the Lebanese "resistance."

## Casey Defends C.I.A.'s Manual

A manual for Nicaraguan rebels was defended last week by William J. Casey, director of central intelligence, after the White House had been so embarrassed that it threatened dismissal of anyone connected with its preparation.

The C.I.A.-sponsored manual has created a storm because it advocates kidnapping and assassination of Nicaraguan officials and favors hiring professional criminals to carry out "selective jobs." In a letter to members of the House and Senate Intelligence committees, Mr. Casey asserted the thrust and purpose were "on the whole, quite different from the impression that has been created in the media." He said the emphasis of the manual was on educating Nicaraguans, avoiding combat where possible and making every guerrilla "persuasive in face-to-face communication." Edgar Chamorro, the rebel leader in charge of publishing the manual, said one of its purposes was to moderate rebel conduct, but it was not the main one. "It was to teach us the principles of guerrilla warfare," he said. Mr. Chamorro also said the C.I.A. had told him when he was recruited two years ago that it would help his forces "change the Government in Managua" within a year.

The Administration has denied any intention to overthrow the Sandinistas. Since June, it has been carrying on talks with Nicaraguan officials in the Mexican resort city of Manzanilla but after seven sessions, major differences remain, officials of both countries reported last week. Among the sticking points are an American demand for the departure of Soviet and Cuban advisers from Nicaragua and a Nicaraguan demand for the removal of all American forces from Central America.

## Plot Against Honduran

Honduras, which elected a civilian government in 1982, has been cited by the Reagan Administration as an example of democracy's possibilities in Central America. The fragility of the Honduran variety was demonstrated last week when two Hondurans, a Cuban and five others were arrested in Miami by the Federal Bureau of Investigation on charges of plotting to kill President Roberto Suazo Cordova. Also named as a conspirator was a former chief of staff of the Honduran Army, Maj. Gen. José Abnegado Bueso Rosa, who is military attaché at the Honduran Embassy in Chile. There were also reported to have been several arrests in Honduras.

One of those arrested in Miami was Faiz J. Sikafti, whose cement business was taken over by the Honduran Government. Five men were accused of smuggling \$10 million

worth of cocaine into Florida to finance the plot. General Bueso Rosa, whose extradition from Chile has been requested by the United States, is known as an associate of Gen. Gustavo Alvarez Martinez, the pro-American commander of the armed forces who was ousted in March by his military colleagues. General Alvarez worked to make Honduras a base for the American army and for the Nicaraguan rebels.

## Svetlana Goes Back

If Svetlana Allihuyeva was a "fallen woman," as the Soviet press described her when she defected to the United States 17 years ago, it appears she is now on the rise. Miss Allihuyeva, the daughter of Joseph Stalin, has returned to Moscow and her Soviet citizenship has been restored, the press agency Tass reported last week.

It was a move that began two years ago, when she left Princeton, N.J., to take up residence in Cambridge, England. "In America, I ended up living the life of a suburban housewife, which is not at all what I wanted," she said. Miss Allihuyeva, who left her American husband in 1972, had previously been married twice to Russians and once to a native of India. She settled in England because she wanted to have her American-born daughter, Olga, educated there. She considered Britain "equidistant between the two superpowers," which she perceived as increasingly similar.

Nevertheless, she no longer thought of Russia as "a land of uninterrupted pain and trauma," as she had described it, and began to wax nostalgic, according to the writer Malcolm Muggeridge, who was among her British friends. But some



Svetlana Allihuyeva

thought she had always been less anguished by fatherland than by her father, whom she once called "a moral and spiritual monster."

In addition, she told friends that she missed her two children in Russia, and had never seen her two grandchildren. And, according to Mr. Muggeridge, her disillusionment with the West was deepening. "I think she is fed up with America and fed up with here," he said.

## Nakasone Gets Two More Years

Japan's top leaders usually retire after two years but last week the kingmakers of the Liberal Democratic Party chose a different timetable. They held over Yasuhiro Nakasone for a second term as Prime Minister. In another break with tradition, he reappointed two potential rivals, Foreign Minister Shintaro Abe and Finance Minister Noboru Takeshita, who reportedly would rather have campaigned from outside the Government.

Mr. Nakasone has been criticized for his "arrogant" leadership style; he occasionally gets too far out front of the conservative consensus that has prevailed during 29 years of Liberal Democratic rule. But he has kept in the good graces of the dominant party faction headed by former Prime Minister Kakuei Tanaka, who has stayed in the background since his conviction (now being appealed) on charges of taking bribes from Lockheed Corporation, the American aircraft manufacturer. Mr. Nakasone said he would "accept with humility (the) criticisms" of his two years in office, notably the suggestion that he had violated his promise to keep Mr. Tanaka at arm's length. But he had no apologies for again including Tanaka allies in his Cabinet along with members of four other factions.

On policy, Mr. Nakasone promised "stability and continuity" in Japan's pro-Western foreign policy and tight spending programs. He said he would try to "activate" the world economy, reduce budget deficits and relax controls on business.

Milt Freudenberg,  
Henry Giniger  
and Carlyle C. Douglas

## Government Moves Swiftly Against Security Officers

# Priest's Murder Draws Poles Together



Worshiper placing flowers beside photograph of the Rev. Jerzy Popieluszko at the Warsaw church in which the priest used to preach.

By MICHAEL T. KAUFMAN

WARSAW — The murder of the Rev. Jerzy Popieluszko has linked Poland's three often contentious elements — the Roman Catholic Church, the Solidarity movement and the Government — in a frail tactical alliance.

What is understood instinctively by large segments of society is that all three were targets of the plot in which three state security officers, presumed to be operating with support of hard-liners within the vast security apparatus, kidnapped and killed the slight, and sickly priest, who is now being referred to as the martyred patron of Solidarity.

That the crime was intended to punish the church seems clear. The 37-year-old priest, whose body was found in a reservoir 11 days after his abduction, was sometimes thought of as an embarrassment by some of his conservative superiors because of his flamboyant support of the outlawed trade union movement. But he was known to be a favorite of Pope John Paul II, who last summer sent him a special rosary. A few people here have even speculated that his murder may have been related to the indictment issued in Rome last week charging Bulgarians with plotting the Pope's assassination. Whatever the motive for the crime, many Poles believe that

the beatification of the young priest and his designation as a martyr is virtually assured. Thousands attended his funeral yesterday.

That the crime was also aimed at Solidarity seems equally clear. Father Popieluszko was considered the patron of the movement. For nearly three years he had celebrated monthly masses for Solidarity activists imprisoned by the Government after the proclamation of martial law in December 1981. The murder of a priest for political reasons, a particularly shocking desecration in this country, was presumably intended to intimidate and demoralize Solidarity's rank-and-file sympathizers.

## Uncontrolled Forces

But perhaps the most striking thing about the reaction to the crime has been pervasive acceptance of the notion that Gen. Wojciech Jaruzelski's Government may have been the prime target. There is a feeling that the suspects left signs pointing to Interior Ministry involvement precisely to show the Government's weakness.

Even the staunchest Solidarity activists do not believe that direct responsibility falls upon the Prime Minister, who is First Secretary of the Communist Party, or upon the prevailing so-called liberal wing of the party whose policies he has adopted. At most, some of these people suggest that the plot simply indicates that despite

General Jaruzelski's insistence that a normal situation has been restored, his Government still does not control the huge security network with its cliques of hard-liners, some of whom have personal links to their Soviet counterparts.

Lech Walesa, the leader of the Solidarity unions, has called for calm and warned against provocations. As one sign of the tactical alliance, the official radio, which has assiduously avoided any mention of Mr. Walesa for months, is now playing tapes of his appeals.

To some extent, the debt and unusually open responses of the Government have encouraged public exoneration of the top leadership. The Government confirmed the death very shortly after the body was found. It arrested the suspects and announced their names and positions, a departure from past practice. The official spokesman suggested strongly that the three men had support and protection within the security apparatus. Last week it was announced that a general in the Interior Ministry had been suspended and two colonels under him detained. The authorities permitted the church to have medical and legal representatives at the autopsy, another unusual move, and they kept uniformed police at a distance from the gatherings of mourners. Such steps have, for the moment, improved the Government's credibility; and Polish commentators of many political shadings believe that there is a chance, however slim, that the shock of the murder might spur some dialogue between the Government, the church and at least some of the Solidarity leadership.

These commentators contend that the crime might convince Solidarity activists that there really is a difference between the relatively liberal policies of amnesty and co-optation implemented by General Jaruzelski, and the tactics of the hard-liners who are seen as waiting in the wings, ready to resort to sweeping repression should the general falter.

An admittedly wishful view by some is that the general might be emboldened to enlist national support, including that of Solidarity, to root out those elements and networks in the security force who are loyal to the hard-liners. But the Government spokesman, Jerzy Urban, said in an interview that he foresaw no dialogue with Solidarity.

The future of the truce is likely to depend on the extent of the investigation and of the purge that is expected to follow. Janusz Onyszkiewicz, the former Solidarity spokesman, made it clear that he and his associates were waiting to see how high and how far the current inquiry would go. He said that he expected full disclosure if the plot turned out to be limited, but if it involved the upper echelons or touched on foreign elements, there would almost have to be a coverup.

Meanwhile, some Solidarity leaders have been stirred into activity and there now appears to be a shift in emphasis from the pluralism the free union movement represented toward civil rights. There have been calls for committees to act as monitors of police activity, disseminating reports of police excesses. This initiative is partly intended as a test of the Government's good will, to see if after the killing, public scrutiny of the police will be countenanced in a country that is essentially a police state. But already there have been official denunciations of the idea.

## Greece's Socialist Leader Increasingly Criticizes the West

# Is Papandreou's Position Rocking the NATO Boat?

By HENRY KAMM

ATHENS — Greek Prime Minister Andreas Papandreou last month became the first Western chief of government to visit Poland since martial law was imposed in 1981. That in itself was enough to upset his allies, but the Socialist leader — a former American citizen, wartime Navy sailor and University of California economics professor — went farther. He denounced Western esteem for the Solidarity labor union, contending it was motivated by the desire to "destabilize" the Soviet camp at Washington's behest. Mr. Papandreou also praised Gen. Wojciech Jaruzelski, the Polish leader who crushed the liberalization, as a socialist patriot. And he dismissed Solidarity as a one-time "progressive" movement that had become "negative and dangerous."

The Warsaw visit was Mr. Papandreou's latest challenge to his partners in the North Atlantic Treaty Organization and the European Community. In the last three years, he has often given them reason to wonder what side he wants to position Greece on. Earlier this year, he categorized the United States as "the metropolis of imperialism" and defended Moscow as "a factor against the spread of capitalism and its imperialistic pursuits." He recently said it was common knowledge that the South Korean airliner shot down by the Soviet Air Force with 269 civilians killed had been on a spying mission for the Central Intelligence Agency. His Government also angered Washington by freeing a suspected Arab terrorist and expelling a C.I.A. man who had provided evidence suggesting that the suspect had attempted to blow up an airliner in flight.

Moreover, his advocacy of nuclear disarmament initiatives outside the American-Soviet negotiating framework and his espousal of Palestine Liberation Organization positions are viewed with distaste in many Western capitals. Informed officials add that Assistant Defense Secretary Richard N. Perle recently left here offended by Mr. Papandreou's apparently calculated lack of attention to the prearranged purpose of his visit and by a Government statement afterward criticizing American policy.

Close Papandreou associates urge Americans to pay attention to Greek actions, not rhetoric.

The latter, they say, is mere retaliation against policies that "tilt" toward Turkey and against a history of "domination" that has been hurtful to national self-esteem. Greece's heart, they insist, remains in the West. They stress that Mr. Papandreou signed an agreement that continues four American bases for at least five more years, despite his election vows to close them. The Socialists, they add, have faithfully carried out an earlier Government's agreement to let NATO's Awacs surveillance planes use Greek bases.

In seeking to account for Mr. Papandreou's verbal batterings of the United States, experts point to reactions to the weight and duration of American influence since Washington helped non-Communist forces win the civil war of the late 1940's. More recently, many Greeks believe that the United States had a hand in the 1967 colonels' coup and that American support or acquiescence kept the junta in power for seven years.

## Stoking Nationalist Fires

Greeks across the political spectrum also believe that if it so desired, Washington could prevail on Greece's nemesis, Turkey, to end its occupation in Cyprus, restoring the homes and possessions of Greek Cypriots who fled the Turkish invaders. Greeks also believe Americans could persuade Turkey to give in to most of their demands in Cyprus and in disputes over sovereignty in the Aegean Sea. Nearly all Greeks believe that all American administrations, acting under Pentagon pressure, favor Turkey. Mr. Papandreou finds a receptive public when he raises such accusations. Nationalist feeling — "chauvinism," some diplomats privately call it — seems higher under Greece's first left-wing Government than it ever was under conservatives, including military dictators.

Because Mr. Papandreou's strong personality dominates his Government, specific explanations of the purpose of his anti-American gestures could come only from him. Speculation about its sources ranges from domestic politics to psychology. The political explanation is that in next year's elections, he needs the left-wing floating vote and must take some wind out of the sails of the strongly pro-Moscow Communist Party. Those who look to psychology speculate that a politician who spent two "adult" decades living,



Prime Minister Andreas Papandreou

learning, teaching and politicking in the United States and returned with an American wife and children might tend to compensate, perhaps unnecessarily, to establish his Greek credentials.

Just as the Prime Minister's motives are difficult to specify, Greek analysts and diplomats find it hard to forecast how far Mr. Papandreou will go in offending Washington. The limit, it is thought, might be the line at which the Reagan Administration might be tempted to alter the political and military balance between its intractable allies, Greece and Turkey. Meanwhile, stewing over Mr. Papandreou's words on Poland, Western Governments, particularly the United States, are uneasily awaiting what he might say during a forthcoming visit to Syria.



# Wall Street's Risky London Bet

By LESLIE WAYNE

**T**HE City, London's financial district, is a mile-square area known for its narrow streets, impressive buildings and a way of doing business that has fallen out of step with modern times. It is a district bound by tradition, from the liveried doormen at the Bank of England to the investment houses bearing some of England's finest names. But, in the past year, a revolution has begun to sweep through these historic streets — swifter and more dramatic than anything on Wall Street in recent times.

Deregulation has come to the City: The London Stock Exchange is being restructured; a new system is being set up to trade English government debt, and fixed brokerage commissions are being abolished. It is as if Wall Street's May Day of 1978, when fixed commissions ended, and the deregulatory decade that followed are happening all at once — and then some. For British firms, this is a time of fast mergers and uncertain alliances. For American firms here, it is a time of opportunity, and challenge. American bankers in London are jockeying for position, uncertain of what these events will ultimately bring, but anxious to compete nonetheless.

"These are some of the most significant financial changes to take place in any major financial market; it is a remarkable set of events that are all happening at once and Citicorp intends to participate," said Frederick D. Pettit, director of the London-based Citicorp International Group Inc. Added Stuart Lewis, a vice president at Drexel Lambert Inc., the British branch of the American firm:

*The skyline of the City of London. Revolutionary change is sweeping through the financial district.*



J. Allen Cash Ltd.

"The Government is taking a clubby atmosphere and throwing it wide open."

Already, American firms are gearing up. Some have expanded their offices here. Others have invested in London brokerages. And still more are drafting new strategic plans. Two elements of deregulation are particularly important to Americans. It appears that by the onset of deregulation sometime in 1986, American firms will be allowed to join the London Stock Exchange. This would enable them to deal in British stocks

without having to go through a London broker — a cumbersome procedure that cuts the Americans' commissions. And, along with this, it appears that American firms will be allowed to be named as "primary dealers" of British Government debt, permitting them to commit their capital to the trading of these securities, just as they do with United States Treasury securities.

American firms feel they have the money and trading expertise to translate these changes into big business. London is the world's third-largest

financial market, after New York and Tokyo, and these changes will give Americans a bigger arsenal of products to lure clients, both here and in the United States. They envision selling British securities to American investors, and vice versa. They talk of a vast expansion in their worldwide trading and distribution capabilities. And they feel this added depth in a foreign market will open the doors for more underwritings of foreign companies and more offshore financing for American corporations.

But these are dreams now, especially since the details of deregulation are still being worked out. London is a risky bet, at best. Millions of dollars have already been spent by some firms to ready themselves for events that are still uncertain. The trading of British Government debt, called gilts, is expected to be cutthroat and only marginally profitable from the start. And, whether investors will bypass British firms to deal with Americans in the British market is unknown. Firms that rush into this market may find they have moved in haste; those that deliberate may be left behind. Ultimately, no one knows exactly what will happen and, most importantly, just how much money will come through the transom.

Still, Yankee optimism prevails. "This means quite a lot for the Americans," said Robert M. Conway, managing director of the Goldman Sachs International Corporation. "There are great new opportunities for participation here, as you see a very separate, closed market turning into a more diversified, more active international marketplace." Goldman is certainly beefing up. Its staff here has gone from 70 people four years ago to 170 today, and a new building is planned. "We're adding people daily and now we've got more bodies than offices," said Mr. Conway.

American firms here are divided into three main groups — those that are buying into London Stock Exchange firms, those that are building staffs from within and those that are still waiting. The biggest splash has been made by those who feel that the easiest way to gain expertise in British finance is to buy it. Foreigners can now take a 29.9 percent equity stake in London firms, an amount that is expected to increase over time.

Several deals have already been struck. Los Angeles-based Security Pacific Bank has made a \$14 million equity investment in Hoare Govett Ltd., London's largest stockbroker. Shearson Lehman/American Express Inc. has gained a 5 percent stake in L. Messel, a London stockbroker active in the British Government debt markets. And Citicorp has infused stockbroker Vickers de Costa with \$30 million in equity capital and is about to do another deal with stockbroker Scrimgeour Kemp-Gee.

Others are hanging back — either because the price tags are too high or

# The Economy

because they are waiting until the rules for American admission to the exchange are set. With the exception of Shearson, no Big Board member firm in London has jumped in. "We want to wait and see what happens," said Jason Bacon, a vice president at Kidder, Peabody & Company Ltd., and chairman of the United Kingdom Association of New York Stock Exchange Members. "A lot are asking — why should you buy?"

If firms are not buying, at least they are planning. Merrill Lynch & Company, which has a London office of 900 people, some one-third larger than the biggest British brokerage house, is in the process of drafting a game plan for even more business here. "At this point, we're working out precisely how we are going to be involved," said David J. Rochester, director of international strategy and market planning for Merrill Lynch. "We've got to move quickly and get our key people in place by early next year."

The changes will all begin on an English May Day — or the Big Bang Day, as some here have dubbed it — that is being set for sometime in 1986. The two biggest changes will be the dropping of fixed brokerage commissions and the elimination of an archaic system of "single capacity," which kept British firms small and stodgy. Single capacity means that London Stock Exchange member firms can only engage in one line of business, either brokerage or trading. This contrasts to American firms that can deal, invest, trade, underwrite and offer any number of other services under the same roof.

The net effect of these changes will be to make British investment houses bigger and the London financial markets more competitive. And this comes just as American financiers have taken a new interest in overseas markets. Big institutional investors — particularly pension funds with new, liberalized rules on foreign investments — have begun to cast their eyes overseas. Advancements in technology have facilitated global trading and have brought markets closer together. Such notions as 24-hour trading of stocks on a worldwide basis are no longer a pipe dream, but are moving closer to reality. And, American corporate borrowers, mindful of any price break, are becoming more schooled in offshore financing.

"The big American firms have discovered the global front, and over the last 18 months have been focusing on international opportunities," said Mr. Rochester of Merrill Lynch. "And London is going through a very

major and very courageous move in a relatively short amount of time. This will be a very interesting time."

British investment houses, of course, will be most affected by these changes, and it is expected that the conservative tenor of the City will be replaced, over time, by a more buccaneering American approach to finance. The starting shot has come from the London Stock Exchange, which is being recast into a new system somewhat resembling the American over-the-counter market. London is now the world's third-largest exchange, with a market capitalization of about \$200 billion, about one-eighth the size of the New York Stock Exchange, which has about \$1.6 trillion in shares outstanding.

As a result of the London Stock Exchange rules, the City divided itself into three neat cartels. Merchant banks have a stranglehold on the underwriting of stocks, but do not distribute or trade them. Stockbrokers are essentially order-takers for investors and work for a commission — but they are barred from underwriting or trading shares for their own account, or profit. Then there are the "jobbers," or stock specialists, who make markets in stocks on the floor of the London exchange by risking their firms' own capital to trade shares.

These distinctions kept everyone small, narrowly focused and undercapitalized — especially in comparison with the big American and Japanese financial powerhouses. A large London broker might have 400 employees and \$20 million in capital; Merrill Lynch, by comparison, has some 38,000 employees worldwide and capital totaling some \$3 billion. Even America's 10th-largest firm, Bear, Stearns & Company, has 3,700 employees and some \$420 million in capital.

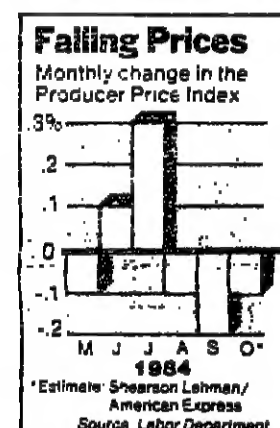
Eliminating single capacity means that these artificial distinctions will fall, and any player can poach into turf traditionally reserved for others. In anticipation of this, the City has been swept by mergers, as merchant banks, stockbrokers and jobbers scramble for new partners to give them the expertise they lack and capital to meet American and Japanese giants head on. "We wish to do everything a New York investment bank does," said Richard West, managing director of Hoare Govett Ltd.

Some of the biggest names in the City are engaging in complicated mating rituals. The new conglomerates being fashioned match commercial banking with brokerages, jobbers with merchant banking and endless variations on these themes.

## Prospects

### A Dip in Producer Prices

There will be few cheers in financial circles when the Producer Price Index for October appears next Wednesday. The index, which over the past year has been virtually flat, is expected to show a decline of one-tenth of 1 percent for the month.



That would be good news for prices, but not for profits. "The flat index helps explain the erosion in third-quarter corporate profits, which fell by \$10 billion," said David D. Hale, chief economist at Kemper Financial Services, Chicago. A rising tide of low-cost imports has prevented domestic producers from raising prices, Mr. Hale said.

He also suggested that the index's drop means that business is being hurt by interest rates — a problem that economists have been on the lookout for during much of the recovery period.

"Our economy may be losing its ability to live with high real interest rates," he said. Traditionally, producers shoulder high rates and pass them on to customers in the form of higher prices. "But this magic circle is now crumbling, along with corporate earnings."

### The Recovery Turns Two

November marks the second anniversary of the economic recovery that began in 1982, and many economists, though anticipating slower growth, expect the news to be generally good. "The third year is never as sparkling as the first two, but this has been a well balanced recovery, and I think that growth will continue through 1985," said Irwin L. Kellner, chief economist at Manufacturers Hanover Bank.

Not everyone, however, is as convinced as Mr. Kellner that the recovery is on an even keel. The continued weakness in net exports, for example, represents a disturbing imbalance, according to Allen Sinai, chief economist at Shearson Lehman/American Express Inc. "In past expansions that lasted as long as this one, the average drop in net exports was \$2.4 billion. But since the fourth quarter of 1982, net exports have dropped \$46.8 billion in real terms. I find that imbalance very threatening to a sustained recovery," said Mr. Sinai. The

weakness in foreign trade, he said, drains much of the spending power from the economy.

### More Trades, More Hedges

The New York Stock Exchange is the world's biggest financial market and the Chicago Board Options Exchange would have it no other way. Why?

"Because the institutions that produce most of the Big Board's volume increasingly lay off, or hedge, their positions in our stock options and stock index markets," answered Henry G. Nothnagel, the Chicago Exchange's vice president for marketing.

Mr. Nothnagel noted that the daily volume of his exchange's Standard & Poor's 100 Index options alone averages 300,000 contracts, each with a cash value of \$16,000, which comes to \$4.8 billion a day.

"We couldn't do this if the Big Board's daily volume weren't averaging 92 million shares a day," he noted. For the New York exchange, with an average share price of about \$33, he said, that works out to a total of \$3 billion a day there.

So confident is Mr. Nothnagel that the Big Board's volume will rise, that he predicted that the turnover of the S. & P. 100 options alone will reach one million contracts a day by the end of the year.

### Few Midnight Traders

While many brokers talk about offering clients 24-hour service, Lind-Waldock & Company, the nation's largest discount futures and options brokerage house, began doing just that last August.

"The result thus far has been the waste of a lot of midnight electricity, sleep and money," said Charles B. Epstein, vice president.

Of the 700 calls his house receives each night after the Chicago markets are closed, he said, "450 are requests for quotes and only 250 are actual orders for us to execute on exchanges in Singapore, Hong Kong or London."

"Traders on the Continent apparently have better things to do at night than trade futures or options," said Henry A. Engelhardt, Lind-Waldock's senior vice president in charge of its Paris operation. "Besides, the brokerage commission war going on in London is so fierce that that is where the Europeans are doing their trading today."

That's also good news for the Chicago markets because the traders in London do their hedging in the Windy City.

H.J. Maidenberry, Chicago

## MODERN FACADE ON AN ANTIQUATED SYSTEM

The London Stock Exchange is located at the crossroads of finance — Old Broad and Threadneedle Streets — in the heart of London's financial district, the City. Its modern lines make it resemble any of the corporate towers dotting the London skyline. But, at its center is a centuries-old system of trading that leaves many confused.

The exchange floor is littered with hexagonal-shaped posts, each assigned to a different "jobbing" firm. A jobber is like a specialist on the floor of the New York Stock Exchange — but there are differences. There is one specialist per stock, but stocks traded in London may be handled by several jobbers. Jobbers risk their own capital to trade shares but, unlike specialists, are not obligated to maintain an orderly market by buying — or selling — when others are not.

Brokers do not risk their own money. Instead, they act only as agents for investors, and collect

commissions. When a broker wants to execute an order, he goes from one jobber's post to another getting quotes. The jobber with the best price gets the deal.

It is a system shrouded in privacy; last trade prices are never disclosed, so no jobber's quotes are known. Average closing prices are issued daily by the exchange, but individual deals between brokers and jobbers are not revealed.

All this will change. By the end of 1986, the distinction between jobbers and brokers will be gone. There will be a new system, somewhat resembling the over-the-counter market in America. And, some day, there may even be no floor. "There will be a screen in brokers' offices," said Colin Symonds, a spokesman for the exchange. "Whether they will send someone to the floor or just phone each other is uncertain. I can see where the floor may eventually melt away. Why do you need it?"

## WEEK IN BUSINESS

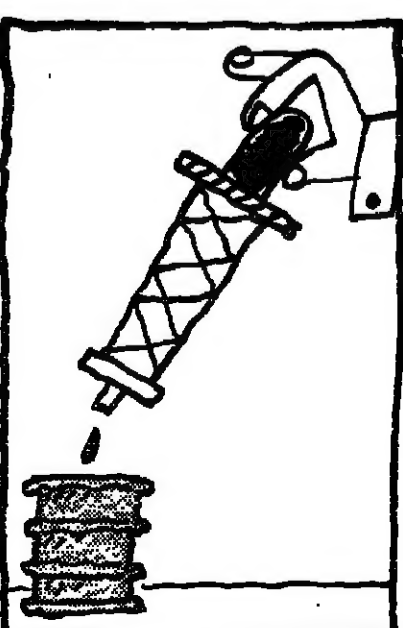
# OPEC Cuts Quota, but to What Avail?

**Oil Quotas.** The OPEC nations considered their agreement to reduce daily output to be a sign of solidarity in the face of falling prices. But oil analysts note that the reduction, ranging from no cut by Nigeria and Iraq to 14.3 percent by Kuwait, will be difficult to enforce, since so many of the nations are already above their quotas. Indeed, most analysts believe that the 1.5-billion-barrel-a-day reduction would simply bring OPEC down to its original production levels, with little effect on prices.

In addition, analysts noted a basic pricing problem in OPEC's differential between light and heavy grades of oil. That differential made sense, they say, when light crude was easier to refine, but the lower spot price of oil reflects the fact that new techniques eliminate most of the refining difficulties. Still, OPEC has not adjusted the pricing structure.

Mexico is cutting its exports of oil by 6.5 percent. The cut could hit hardest in the United States, Mexico's biggest customer. But Mexico said it is not planning to join OPEC.

Mixed Signals Again. The consen-



ing economic indicators, which portends movement in the economy, rose four-tenths of 1 percent after three months of declines. The nation's unemployment rate held steady at 7.3 percent in October as the number of new jobs kept pace with demand.

percent ... Sales of new homes spurred 21.9 percent in September, but analysts say interest rates remain too high to sustain that pace.

**The Cost of Money.** Interest rates should fall further, according to most economists, as long as the economy continues on a steady course. But Treasury Secretary Donald T. Regan wants the Federal Reserve to ease up on its monetary policy, allowing the money supply to expand and interest rates to fall accordingly.

Profits continued to lag those of the earlier boom quarters. U.S. Steel's net income rose nearly threefold, to \$153 million; Bethlehem Steel trimmed its loss by nearly two-thirds ... Chevron and Texaco reported sharp drops in earnings ... Grumman's profits were flat ... Pan Am's net fell 92.7 percent.

Stocks moved ahead in the week, but investors seemed to be awaiting Tuesday's election results. The Dow Jones industrial average gained in two sessions and lost in three, ending the week at 1,216.65, up 11.70.

Bond prices rose most of the week,

closing under 3 German marks for the first time in months. Traders seemed to be convinced that American interest rates are heading down.

**Computer News.** Storage Technology fulfilled most analysts' expectations by filing for protection from its creditors under Chapter 11. The once high-flying company said it would report a \$60 million loss in the third quarter. And Visicorp is being absorbed by the new Paladine Software Corporation. The demises are being blamed on a shakeout in light of I.B.M.'s dominance.

David C. Cole said his sudden resignation as chairman and chief executive of Ashton-Tate did not reflect troubles at the software company. But some analysts said profits have been sagging and management has seemed disorganized since the founder, George Tate, died in August.

Across State Lines. The first applications for limited-service, or non-bank, banks were approved, allowing some big banks to move into other states. Although it says it intends to do so, Congress has not closed a loophole in Federal law that allows such institutions, which can make com-

The New York Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED NOVEMBER 2, 1984				
Company	Sales	Last	Net Chng	
South Co	10,482,200	18	+ 1/4	
Star T	6,897,000	3 1/2	- 1/4	
A E Pw	6,284,800	20	+ 1/2	
AT&T	5,284,100	18 1/2	- 1/4	
Exxon	4,919,000	43 1/2	+ 1/4	
Mobil	4,848,800	30 1/2	...	
IBM	4,270,700	125 1/2	+ 2 1/2	
Am Exp	3,918,300	36 1/2	+ 1/4	
Reynl	3,853,400	68 1/2	- 1	
Tennco	3,746,900	35 1/2	+ 1/4	
AMR	3,539,900	32 1/2	+ 1/4	
S Cal E	3,338,300	23	- 1/4	
Chevron	3,286,200	33 1/2	- 1/4	
AMD	3,149,400	29 1/2	- 1/4	
Ford M	3,121,300	47 1/2	+ 1/4	
Standard & Poor's				
400 Indust	188.8	185.1	188.0	+2.05
20 Transp	140.4	135.7	139.7	+4.92
40 Util	73.4	72.1	73.3	+1.95
40 Financ	18.2	17.6	18.1	+0.56
500 Stocks	167.9	164.6	167.4	+2.13
Dow Jones				
30 Indust	1225.8	1195.0	1216.6	+11.70
20 Transp	536.6	521.0	532.3	+9.34
15 Util	144.7	140.2	143.8	+2.25
65 Comb	485.7	472.7	482.2	+8.09
The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED NOV. 2, 1984				
Company	Sales	Last	Net Chng	
WangB	1,661,400	27 1/2	+ 3/4	
BAT	1,014,100	3 1/2	+ 1/4	
DomeP	805,600	15 1/16	-1/16	
EchoB	554,400	10 1/4	+ 1/4	
Ultimate	525,500	17 1/4	- 1	
Delmed	498,000	3	- 3/4	
AM Int	430,800	2 1/4	...	
PrenH	378,300	51 1/4	+ 7/4	
KeyPh	356,100	11 1/4	+ 1/4	
KCH	325,900	66	+ 4 1/4	
MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
1,294	703	2,266	117	53
VOLUME (P.M. New York Close)				
Total Sales	Last Week	Year To Date		
454,485,480	19,737,055,403			
Same Per. 1983	416,194,776	18,263,255,558		
WEEK'S MARKET AVERAGES				
High	Low	Last	Change	
339	346	387	407	45
339	346	387	407	45



# The New York Times

Founded in 1851

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## Five Reasons to Vote for Mondale

Since the first New Hampshire debate last winter (remember Walter Mondale and John Glenn jumping to their feet?), it's been a year for the citizen to turn drama critic, matching wits with the commentators on how well the candidates did.

It's also been a year to learn about packaged pageantry. In January, Mondale volunteers in Iowa tried to counteract the impression that their man was dull by painting a 30-foot banner that insisted "We're Passionate for Fritz." By October, the Reaganites were showing how they could make a speech at a Michigan community college look as tumultuous as a convention, with seven massed bands and 5,000 balloons.

It's been a year, also, for the citizen to turn statistician. More primary elections meant more polling. And the big Reagan margins reported in recent polls encourage Republicans to promote a bandwagon mentality.

Now, finally, the citizen must take on a different role: of voter. Some people surely will vote because they were impressed by this Mondale-Ferraro rally or that Reagan-Bush poll margin. But people who take their vote seriously will have reasons, not just impressions. We see five good reasons to vote for Walter Mondale.

### □ Nuclear arms and arms control.

Four years ago, Mr. Reagan decried the infamous "window of vulnerability": While America slept, the Russians had built huge missiles that could checkmate us... Our land-based missiles were vulnerable in their silos. Four years later, where are we? Still sitting on the window sill, ready to put new missiles in the same silos.

Where are we, meanwhile, on arms control? The Russians are as much accountable as Americans for the fact that no negotiations are under way. Mr. Reagan is accountable for the fact that he has no plausible negotiating plan and not enough people equipped to develop one. Just promises. Mr. Mondale sees controlling "these god-awful weapons" as a President's central responsibility.

### □ Today's economy and tomorrow's.

The times look as good as the weather. At 7.4 percent, unemployment's vastly better than the 10.7 of two years ago. Economists' main forecasting gauge rose slightly in October. The recovery continues and that rewards the man in the White House. But isn't winter coming?

Experts study indicators like railroad car loadings and production of liner board for cartons: Those gauges have turned flat, then down. Why? A big reason, if the economists are right, is immense Federal borrowing. The same Ronald Reagan who promised to slay the Deficit Dragon feeds it instead. It took the Government 192 years to borrow its first trillion dollars. It would take Mr. Reagan only eight years to borrow the second trillion. What should be

done? The President will not bite that bullet, only duck it. Mr. Mondale, by proposing to cut the deficit with new taxes, shows a sounder, and braver, posture.

### □ Social justice.

It can be argued that social-welfare programs have failed and spending should be cut. It can also be argued that so advanced a society has a duty to maintain a social safety net. The Reagan Administration has talked safety net and cut programs for the poor.

A good example is food-stamp spending, which the President and Vice President insist has never been higher. Yet compare four numbers. Had Mr. Reagan not succeeded in cutting annual spending, it would now be \$13.5 billion. Instead it is \$11.5 billion. Had he gotten Congress to accept all the cuts he wanted, it would now be \$7 billion. If he accepted the further cuts proposed by an efficiency commission, the figure would be \$5 billion.

The Administration's contempt notwithstanding, many social programs do work. Head Start works; there's exciting recent evidence that its alumni learn more, earn more and get in trouble much less. As a Senator and Vice President, Mr. Mondale pioneered such programs and understands who needs them most: the next generation.

### □ Court appointments.

When they vote for President Tuesday, voters will, in a sense, be electing two branches of government. The winner will have a powerful impact on the judiciary, and not just for four more years. The present Supreme Court Justices have served an average of 15 years. Nor does the influence stop there. Congress created 85 new circuit and district judgeships in June and only a few have yet been filled. The circuit courts are those that interpret the laws and the Constitution day in and day out.

### □ Religion and politics.

Last spring Norman Lear, the television producer, wrote President Reagan asking him to disassociate himself from supporters intent on "Christianizing America." The President, in his reply, sidestepped that question and went on to describe a case in which the courts forbade voluntary prayer by schoolchildren before their cookies and milk.

Mr. Lear looked up the case and, surprised, wrote back to tell Mr. Reagan what he had found. The case turned out to be 21 years old, and it turned out the other way. The court upheld voluntary prayer. In his first debate with Mr. Mondale, the President told the story again. The wrong way.

Religion and politics deserves delicacy and respect, not just for facts but also for feelings. Mr. Reagan's opponent talks about church and state with a care that verges on eloquence. It is the eloquence of the Constitution and that, alone, would be reason on Tuesday to vote for Walter Mondale.

## The Soviet Lie to India

India quakes in agony, and what is the response from India's great good friends in Moscow? A crafty propaganda campaign that blames the United States for the Sikh rebellion and, therefore, the assassination of Indira Gandhi.

Formal United States denials and protests are not enough. The Soviet leaders should also know that this resort to the Big Lie for some trivial advantage in India so disgusts Americans that it puts at risk the chance for improving relations between the superpowers.

The practiced Soviet fabricators do not yet make their vile charge directly. They are merely featuring articles about Mrs. Gandhi's assassination in conjunction with articles that suggest a C.I.A. involvement, under such headlines as "Terrorism — Washington's Policy." The unwary Soviet reader, in any case, is not the object. When Tass and Pravda authorize such a broadside, they're signaling Soviet agents and broadcasters to poison Indian minds at a vulnerable moment of grief and to spread anti-Americanism wherever else they can.

Are not the Russians just getting even for the

growing suspicion that they stood behind the Bulgarians who may have plotted the assassination of the Pope? That may be a factor but it's no excuse. President Reagan and even the C.I.A., perhaps naively, have been visibly hesitant to pin that plot on the Russians.

Are not the Russians parroting a suspicion that Indira Gandhi herself had harbored? She did indeed blame Pakistan and sometimes its friends in the C.I.A. for the unrest in the Punjab. But Soviet agents were spreading that provocative tale even then, counting on Indian paranoia about Pakistan to make it profitable.

The idea that any American leader would conspire against Mrs. Gandhi or promote civil war in India is preposterous. India's cohesion and democracy are important American interests.

The great majority of Americans have used this election year to persuade their own President to speak with a new respect and restraint about the Soviet Union. If the Big Lie is their reward, many will conclude that they've been wasting their breath.

## Responses to Famine

Pictures of children with distended bellies and listless eyes have prompted donations from thousands of generous Americans to help starving people in Ethiopia. What should be the official American response to human disaster in a Communist country heavily supported by the Soviet Union?

Severe droughts have plagued Ethiopia for a decade. A famine in 1974 claimed 200,000 victims. Now tens of thousands more may be dying from starvation and related diseases; six million are in dire need of food.

Belatedly, the Reagan Administration has reacted largely on the basis of humanity, not politics. In the last month, it has approved 130,000 metric tons in emergency food aid to Ethiopia, triple the amount for last year, at a cost of \$51 million.

It has also shown a welcome new urgency. Until Congress forced the issue earlier this year, the Administration held a \$60 million supplemental appropriation for Food for Peace hostage to a controversial \$21 million aid package for the "contras" in Nicaragua. While Washington argued, millions in Ethiopia and other drought-ridden African countries remained hungry. That two-month delay, how-

ever, is haste itself when compared with Soviet behavior.

Moscow has given Ethiopia about \$2 billion worth of military aid to bolster its "scientific socialism." But until the recent decision to send 300 trucks and other vehicles to help distribute food, the Russians had contributed only a paltry \$3 million worth of rice to help ease the food crisis. The Ethiopian Government seemed more inclined to spend money celebrating ten years of Communist rule than feeding its people.

Sympathetic Western donors are left to clean up after the heartless failures of scientific socialism. Much of that effort has been ably directed by Catholic Relief Services and a few other voluntary organizations.

It will take nothing from the West's response to make every effort to tell the world the source of Ethiopia's relief. M. Peter McPherson, administrator of the U.S. Agency for International Development, rightly says that "a hungry child knows no politics." In Ethiopia, as elsewhere, that idea nobly distinguishes East from West.

## Letters

### Lessons From the Embassy Takeover in Iran

To the Editor:

As a former American hostage in Iran, and with the fifth anniversary of the Embassy takeover now approaching, I must dissent from some of the assertions made in William Safire's Essay of Oct. 29, "Hamlet of Nations." Mr. Safire states: "Mr. Carter dithered for a year before launching his rescue attempt."

We were taken hostage on Nov. 4, 1979. The rescue attempt was "launched" on April 24, 1980—hardly a year. The attempt was "botched" not because of "supercautious military Beckwithism," but rather insufficient training of the strike force. Longer preparation might have gone far to correct its inadequacies.

That does not mean that the attempt would have succeeded. Hussein Sheikholeslam, one of our captors' principal spokesmen, warned us in February 1980, "We hope that Mr. Carter will do nothing foolish like a helicopter rescue attempt, in which many if not all of you will be killed." Security hypertension among our guards was at a new peak in the week leading up to the rescue attempt. From hindsight, it was clear that the students were perfectly aware that Mr. Carter, his diplomatic initiatives having failed, and facing re-election, was likely to be panicked into a fool-hardy effort the aborting of which, on balance, saved many lives.

And when will we finally stop invoking the Entebbe raid as a sovereign specific for all kidnapping? Entebbe was itself an airport and isolated. Teheran's vast area, millions of inhabitants and the distance of the American Embassy from any landing facilities made necessary a plan that was far too complex ever to succeed. The difference was well recognized by the Israelis, who did not mount a "rescue" of their diplomatic mission in Tehe-

ran when it was taken over after the fall of the Shah. In November 1979, after our Embassy was taken, the Israeli Government advised the U.S. against anything so foolish.

Finally, Mr. Safire urges that the "appeasement" of terrorism invites attacks. So does martyrdom. A number of the students swarming in to take our Embassy in Teheran had looks of rapture on their faces, reflecting the hope that our marines would shoot to kill and thus gain these students instant access to a better life.

In Shiite Islam, as recent attacks on our military and diplomatic establishments make apparent, martyrdom has a special significance. Retaliation, and especially lethal action involving the innocent, might make Americans feel a little better, but it will only bring forth more candidates willing to undertake destruction of more of our embassies. Better by far that we try to understand, as Mr. Safire plainly does not, the motivations of those willing to sacrifice themselves, which are a direct conse-

quence of the absence of a more even-handed American policy in the vexed area of "Arab-Israeli."

MOOREHEAD KENNEDY  
New York, Oct. 29, 1984

### Shultz's Vigilantism

To the Editor:

While all Americans abhor the deaths and destruction of our installations in Lebanon, Secretary of State George P. Shultz's call for military force against terrorists, in his speech in New York on Oct. 25, is surely fraught with danger to the democratic process. His warning, "We may never have the kind of evidence that can stand up in an American court of law" before we take action, is a classic example of the end justifying the means. It is frontier vigilantism applied to international politics.

Most reprehensible and chilling is Mr. Shultz's point that a new policy toward terrorists might have to be at the cost of the loss of life, including the lives of some innocent people.

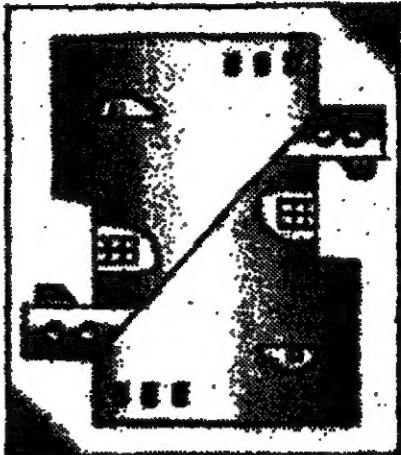
In demanding "swift and sure measures" against terrorists, Mr. Shultz does not define terms. In recent years, "terrorist" has been too frequently used to define groups the United States doesn't like. What one side brands as terrorists the other calls as freedom fighters. This is most clearly seen in Central America today.

Americans can be protected against explosive-laden suicide trucks. We have the means to provide adequate security around our property. We also have one of the strongest intelligence agencies in the world, whose job is to provide information to protect our interests.

Mr. Shultz, however, wants to go further. He wants to use military force around the world and employ military actions before an act has been committed. To run roughshod over those we don't like sets a dangerous precedent, which if allowed to be policy, would do great damage to our credibility overseas, where we are known as a nation that supports civil liberties and fair play. Congress and the Administration must continue to resist such a proposal, for surely it would destroy the very values and way of life that Mr. Shultz so earnestly seeks to protect.

The Secretary of State should know that in many of the world's hot spots, particularly the Middle East and Central America, there are legitimate concerns about political rights and the sharing of power. Frustration born of a denial of the right of self-determination can and does lead to direct action. Understanding and dealing with the causes of unrest are a more effective way toward peace-making than the detection and deterrence measures that he proposes.

(Rev. Dr.) AVERY D. POST  
President, United Church of Christ  
New York, Oct. 26, 1984



Bob Gale

### Intimidation by Official Pre-election Poll

To the Editor:

On Oct. 16, I received a letter, part of a mass mailing from the National Republican Congressional Committee in Washington, signed by Representative Guy Vander Jagt, chairman.

Confining myself to the most essential points: one page contained a Presidential pre-election poll form, on which I was supposed to indicate that I was going to vote for President Reagan on Nov. 6; the second part of that page had room for me to sign in order to "validate" the poll and to indicate that I would send \$5 as a contribution to analyze its results; another entry requested a campaign donation.

(In the accompanying letter, I was asked to destroy the "poll" if I was undecided or did not wish to vote for President Reagan. The next paragraph informed me that failing to return the pre-election poll would indicate that I do not support the Presi-

dent in his bid for a second term. The other key paragraph told me that if I filled out the poll and returned it, it would be tabulated and my name recorded as one of the President's supporters in Spencertown.

There is a crucial difference between a no-holds-barred pitch for the Reagan candidacy and the ominous and threatening intimidation that those who do not return "ballots" will end up on a computerized list of liberals, radicals and dissenters in towns and villages across the country.

This isn't a survey by a local campaign committee of neighbors and acquaintances. It claims to be "official" up to the President and to be "validated" by signatures, with one's name to be recorded in a town-by-town and city-by-city basis.

This political technique is chillingly familiar.  
MARTHA H. GILLMOR  
Spencertown, N.Y., Oct. 18, 1984

### Untold Stories

To the Editor:

The Presidential campaign is almost over, and neither candidate has visited Charlotte Street in the South Bronx. For that matter, neither candidate has discussed the issues of urban America. Have the problems of the cities gone away in the last four years?

SAMUEL M. CONVISOR  
New York, Oct. 29, 1984

To the Editor:

An Oct. 20 story "G.M. 'Factory of Future' Will Run With Robots" described a plant that can "operate for an eight-hour shift without any human production workers." It would have been a Page 1 story had G.M. also announced which robots would buy the cars.

SID SMITHLINE  
Wantagh, L.I., Oct. 25, 1984

### The Look-Alike Problem of Cruise Missiles

To the Editor:

In the debate over the Administration's Strategic Defense Initiative (Star Wars), it remains a mystery to me why opponents of this controversial proposal fail to press the issue of cruise missiles.

In the next decade, the United States and the Soviet Union will be deploying tens of thousands of land-, air- and sea-based nuclear cruise missiles — missiles that cannot be shot down with the antimissile technology we now possess or may possess in the near future. These are missiles that would render any antimissile system, however advanced, useless because they could not readily be identified as being nuclear or conventional. Aside from their warheads, cruise missiles

are virtually indistinguishable from one another in size and shape. Would we attempt to destroy every single missile launched? Why, simply the number of conventional cruise missiles in the world is countless.

So what good is an antimissile system that defends against the ICBMs, when it is useless against the cruises? No, this proposal is not an alternative to mutual destruction in the event of a nuclear war as the President contends. It is a multibillion-dollar boondoggle that will only contribute to further development of the American and Soviet cruise-missile programs and bring us one step closer to a nuclear exchange.

MARCO A. CACERES JR.  
Arlington, Va., Oct. 23, 1984

### 'Evil Empire' Label Didn't Hurt the Kremlin's Feelings

To the Editor:

As a lifelong philosophical naturalist and secular humanist — a favorite target of the Moral Majority — and a Social Democratic supporter of the welfare state, I take strong exception to your interpretation of Ronald Reagan's references to the Soviet Union as "an evil empire" (editorial, Oct. 28). You and Henry Steele Commager, whom you quote, are demonstrably mistaken in asserting that the expression "evil empire" is "a gross appeal to religious prejudice."

Presumably you are not objecting to the term "empire" in the reference to the Soviet Union but to the term "evil." But "good" and "evil" are primarily moral terms. In ordinary discourse, "evil" is used synonymously with expressions like "wicked" and "very bad." Could you or Mr. Commager bring yourselves to assert in the light of its current treatment of Sakharov, dissidents, Jews, religious believers, national minorities and the handicapped that the Soviet Union is not an "evil empire"?

To be sure, the Soviet Union is not the only evil empire or national entity in the world today. Iran, in which hundreds of members of the inoffensive Bahai religion have been hanged, and several countries in Africa, and not South Africa alone, are also evil empires. The Marxist empire was "evil," even if not so evil as the empire that succeeded it. No one made any bones about so characterizing it.

Only lamentable ignorance of the nature of the Bolshevik-Leninist mind or ideology accounts for the fear that President Reagan's accurate reference hurts the feelings of the leaders of the Soviet Union or affects their behavior.

Compared with the denunciatory epithets Soviet leaders have hurled

against the United States, President Reagan's language is relatively benign. For years, Hitler exhausted the vocabulary of epithets attacking the Soviet Union. That did not deter its leaders from embracing him at the time of the Nazi-Soviet pact. After Hitler double-crossed Stalin, the latter turned eagerly to the help of Churchill, who decades earlier had called on the West "to strangle Bolshevism in its cradle."

Kind words or harsh words play little role in determining the Kremlin's behavior. All the flattering compliments paid to Stalin, "good old Joe," as a democratic ally by Western statesmen when he was a co-belligerent against the evil Fascist empire, had no effect on his decision to resume the cold war against the West.

The United States can live peacefully in the same world with evil empires and, within limits, even do business with them. All it asks is that they live up to their obligations under the U.N. Charter and forgo actions like those of the Soviet Union in Poland, Hungary, Czechoslovakia, Berlin, Afghanistan and elsewhere.

There are degrees of moral evil in

the world, and neither we nor our allies are free of it. But let us remember: because no one is free of moral fault, it does not follow that all are equally at fault. We knew that when we condemned the evil empire of the Nazis. It is no less true when we condemn the evil empires of the Kremlin, South Africa and the Ayatollah Khomeini.

SIDNEY HOOK  
New York, Oct. 29, 1984

### And So It Goes

To the Editor:

Today I canceled my subscription to The Times after I read of your support of Senator Mondale.

EARL E. T. SMITH  
Palm Beach, Fla., Oct. 29, 1984

To the Editor:

Thank you for a marvelous, most informative editorial, "Mondale for President." I wish every American voter could read it.

HELEN YARNELL  
New York, Oct. 30, 1984

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# Reagan Beats the Press

**The New York Times**



# Truffaut: His Art Revealed Him

By VINCENT CANBY

In "Bed and Board" ("Domicile Conjugal," 1970), François Truffaut's third feature in his extraordinary series of semiautobiographical comedies about the life and times of Antoine Doinel, there's a funny and rather nasty moment when Antoine (Jean-Pierre L  aud) turns on his wife, Christine (Claude Jade), who has been gently suggesting that they get a telephone. When bored, Christine explains, they could always ring up their friends.

Antoine behaves as if Christine had asked for her own atomic reactor.

"What do you mean, bored?" he says with disbelief. "I don't know what boredom is... There is always something to do. I can cut the pages of a book, or do a crossword puzzle, or make notes. I wish each day had 30 hours. I'm never bored. I can't wait until I'm old so I'll only need five hours sleep!" With that, Antoine disappears into the bathroom carrying a flashlight, a book, a knife to cut the pages of the book, his cigarettes and a newspaper.

Like Antoine Doinel, Truffaut could not comprehend boredom, at least boredom in adults who weren't either physically or mentally impaired. He never went anywhere without his books, his newspapers, his scissors (with which to clip the newspapers), and his notebooks and pens. There never would be enough time to accomplish everything he wanted. He wasn't interested in idle chat or in exotic landscapes. Once, on a long flight from Trinidad to Puerto Rico, it was just about all he could do to glance up from his notebook to see the spectacle of the live volcano over which the plane was passing. "Ah, oui," he said, and went back to his work.

Scenery, after all, is only important when something human is happening in front of it.

It is especially sorrowful to realize that when he died of cancer last week in Paris, François Truffaut was only 52, almost the age that Luis Bu  uel marked the beginning of his greatest productivity. It's fruitless to speculate on what might have been; yet one must have, in Truffaut's case, the feeling of a career cut short. I say that even though his career embraced 21 features, various shorter films, plus some of the best books ever written about movies. Thirteen of his films are currently on view in the special Truffaut retrospective now in progress at the Festival Theater here.

The Truffaut books include his collection of short, sharp, highly personal critical pieces, "The Films in My Life," published here by Simon and Schuster in 1978, and "Hitchcock," the record of the series of interviews he and Helen Scott conducted with Alfred Hitchcock, originally published by Simon and Schuster in 1967. This book is scheduled to reappear at any minute in a new edition containing an additional chapter, written by Truffaut last year, on Hitchcock's last three films, which were not covered in the first edition.

I know scarcely any filmmakers, partially because I've never had the slightest desire to make movies myself. It's also far easier to review movies with some sense of freedom when one is not aware of the private problems and aspirations of the people who have made them. Truffaut was the exception — an accidental one.



Fran  ois Truffaut—"understood through his great, very particular body of work"

I met him 25 years ago when "The 400 Blows," his first feature, opened in New York and I was a reporter with no particular thoughts about becoming a reviewer or a critic. The occasion was something less than promising. I was just learning how to use a tape recorder but it was one that would not function properly, so that most of our time was spent not on the questions and answers of the interview but on wrestling with technology. We had a hilarious time but, though he was a first-rate cinema technician, he was no better with this particular machine than I was. I was astonished some years later when I found he'd learned how to drive a car, a snappy convertible that he drove with   lan, with the top down no matter how wind-blown and frigid were the passengers riding in back.

I saw Truffaut with some regularity over the years, mostly in New York and Paris, and mostly with Mrs. Scott, his friend, collaborator, translator and sometime English-subtitler. Mrs. Scott is a woman gifted with the ability to translate between French and English with such speed, fluidity and self-effacing presence that one never has the feeling there is a language barrier.

It was thus something of a shock when, one night during a New York Film Festival in the late 60's, Truffaut

and I agonized through a dinner alone at Trader Vic's, a place picked not, heaven knows, because Truffaut liked the d  cor, but because he was staying upstairs in the Plaza. With my halting French and his halting English, it took us about three hours to cover the ground that, with the help of Mrs. Scott or Madeleine Truffaut, his former wife who speaks perfect English, we might have covered in 15 minutes.

I mention these personal experiences only to emphasize that the man I knew — with whom I ate dinner from time to time, with whom I once was stranded in S  o Paulo, Brazil, and with whom I shared jokes and stories of incredible human follies, sometimes about other filmmakers — really exists for me principally as the first-hand footnote to the films he made. That's not to deny his wisdom, humor, kindness, wit and generosity, but to stress that to the casual acquaintance, to anyone less intimate than a family member or a trusted co-worker, a man of Truffaut's complexity can only be understood through his great, very particular body of work.

In "The Films of My Life," Truffaut quotes as "a naive but sincere profession of faith" something he had written in 1957, two years before the appearance of first feature: "The film of tomorrow appears to me as even more personal than an individual and autobiographical novel, like a confession, or a diary. The young filmmakers will express themselves in the first person and will relate what has happened to them... It will be enjoyable because it will be true and new... The film of tomorrow will be an act of love."

Truffaut then went on to make a body of first-person movies as self-revealing as any in the history of the cinema. The most obviously personal are the Antoine Doinel comedies — "The 400 Blows," the short "Antoine and Colette" sequence in "Love at 20," "Stolen Kisses," "Bed and Board" and the final "Love on the Run."

On their surface, these films are the record of the coming of age of the Truffaut surrogate figure, Antoine,

## Fran  ois Truffaut's body of first-person movies is as self-revealing as any in cinema.

who grows up on screen from being a 14-year-old delinquent to become, by his early 30's, a successful — or, at least, published — novelist. In a more profound way, though, the films describe the problems that face an artist — Truffaut — as he attempts to turn 20 years of autobiography into cinema fiction. He himself described the process as being a collaboration between himself and Mr. Leaud, which eventually led to the peculiarities of the concluding chapter in the series, "Love on the Run."

In "The 400 Blows," the adolescent Antoine really is Truffaut, but by the time we get to "Love on the Run," made 19 years later, Antoine has become a hybrid — almost a schizoid — character, part Truffaut, part Leaud, to the detriment of the original character who never has been allowed to take off on his own, as fictional characters must do. As fine as I believe "The 400 Blows" to be, in the best of the Doinel films is the one that comes more or less

# Arts & Leisure

in the middle of the series. "Stolen Kisses," in which there is a perfect, seamless collaboration between the personalities of the director and his star.

All of Truffaut's best films are in some degree autobiographical, that is, they reflect very personal fears, fantasies and aspirations. These would include his undisputed classic, "Jules and Jim," a lyrical meditation on the difficulties of loving an ideal and maybe even an idealized woman, exemplified in Jeanne Moreau's beautiful performance.

The autobiographical elements are not always as immediately apparent in other films as they are in "The Soft Skin" (1964), a fascinating if peculiarly inverted confession about the break-up of a marriage in which the philandering husband is finally shot dead by the wronged wife. They are also there in the complex, vastly underrated romantic mystery, "Mississippi Mermaid" (1969) starring Catherine Deneuve, and in "Shoot the Piano Player" (1960), in which Charles Aznavour, who actually looks like Truffaut, goes through the film feeling guilty and denying himself the pleasures that accompany the sort of success that Truffaut suddenly achieved with "The 400 Blows."

They are far more benignly apparent in movies like "Small Change" (1976), possibly the best and funniest film ever made about childhood; "Day for Night" (1973), in which Truffaut demonstrates how, for him, movies are, if not more real than life, then life itself; "The Man Who Loved Women" (1977), another undisputed classic, "The Wild Child" (1969), which is as much about his father-son relationship with Mr. Leaud as it is about the 18th century's celebrated "wild child" of Aveyron.

Truffaut loved women and celebrated them in his films, but he was haunted by the impermanence of love. In "The Films of My Life," he says of Luis Bu  uel, he "is a cheerful pessimist, not given to despair, but he has a skeptical mind." To paraphrase something else he says about Bu  uel, Truffaut finds much of life "imbecilic" but love "diverting." He goes further, however, to appreciate the crazy lengths to which lovers will go, finding something grandly heroic about the obsessions of the heroine in "The Story of Adele H." (1975) and the adulterous lovers in "The Woman Next Door" (1981), which introduced audiences to his own last great love, Fanny Ardant.

It is still too early to see what Truffaut's influence on succeeding generations of filmmakers will be. He has obviously moved a number of other directors, including Paul Mazursky, whose "Willie and Phil" was a kind of homage to "Jules and Jim," though a flat-footed one. His imitators in France have been many, but none of them has seen beneath the sunny comic surfaces of his comedies to find the darkness beneath. The sympathy he expresses throughout all his films comes out looking superficial, perfunctory and sentimental in the works of less gifted filmmakers. The Truffaut sensibility is apparent today in only two directors I can think of, in the films of Diane Kurys, especially her most recent "Entre Nous," and in those of Robert Benton. Though Mr. Benton is as quintessentially American as Truffaut is French, the Benton movies — "Bad Company," "The Late Show," "Kramer vs. Kramer" and the current "Places in the Heart" — come closer to the Truffaut heritage than the films of any other director anywhere in the world.

There will be much more to be written about Truffaut in the future, when we've all caught our breath. In the meantime, you can drop over to the Festival Theater.

## Love's Magic Spell in Trouble

By WALTER KERR

Poor Sidney Pollack. Poor Robert Redford. Not too long ago I read in the daily newspapers that Mr. Pollack, the film director, and Mr. Redford, the film actor, would very much like to do a picture together. Not just any old picture. A romantic picture, a love story. The only thing that's been holding them up is the fact that you can't do a love story today. As Mr. Pollack has pointed out, there's no longer any obstacle, any barrier, any impediment or social taboo for the lovers to overcome. Except incest. And if there's nothing to prevent passion from having all its rites immediately, you're going to wind up with a very short film. Or with a long one that lacks suspense, since the lovers are clearly in clover from the outset.

I guess we all know what Mr. Pollack means, except that the situation is a bit more troubled than even he supposes. While he has apparently been looking the other way, incest has slipped away from him as well. The legitimate theater may continue to regard incest as something profoundly hazardous (at least for longshoremen, as in Arthur Miller's "View From The Bridge"), but the screen gave the subject a more or less cheerful okay with Louis Malle's "Murmur of the Heart" 13 years ago (I somehow missed the film but several of my children tell me it was fine).

So director Pollack is both more perceptive and worse off than he thought. In fact, times have changed so much that it's really quite difficult for us now to recall those early years when lovers suffered and suffered because it was impossible for them to merge. Roadblocks abounded. One of the two whose hearts beat as one might already have been married, and divorce was out of the question. Dramatic dilemma, you see. But divorce quickly became so commonplace, socially speaking, that a screenplay could dispose of the problem in the twinkling of a jump cut. Result: no plot. How about parental interference, along the lines that once gave birth to so many Romeo-and-Juliet trysts? I do believe we'd have to go all the way back to "Able's Irish Rose" to find one of those in our giddy world of entertainment.

Could the male member of the pair per chance be a priest, or the female member a nun, thereby giving rise to a "Heaven Knows, Mr. Allison" or a "Garden of Allah"? Not bloody likely, as Eliza Doolittle might say. What about insanity-in-the-family as a wedge to drive the lovers apart, "Bill of Divorcement" style? But that was a joke by the time of "Arsenic and Old Lace," science having got a move on as well. Caste barriers? Rich-and-poor barriers, as in Philip Barry's still lovely "Holiday"? "Holiday" remains fun, especially on film with Hepburn and Grant, but it now seems to take place in a never-never land.

Yes, obstacles are out these days, and Mr. Pollack is quite right to be concerned about it. No one can really make an interesting romantic strug-



Katharine Hepburn and Cary Grant in the film "Holiday"—It now seems to be set in a never-never land.

gle out of boy-meets-girl, boy-gets-girl and that's that. Well, I suppose there's one possibility. You can spend the first six reels having boy meet girl, cute or otherwise, and then spend the last six having the girl die lingeringly of whatever dread disease seems most in vogue at the moment. But that's already been done a couple of times, and I don't really think anyone's going to top Debra Winger's farewell to the family in "Terms of Endearment" in a hurry. Fine performer, that Miss Winger. The problem remains. What are contemporary films doing to keep the romantic franchise alive in this age of anything goes?

They seem to be doing the only thing left to them. If the real world no longer offers workable examples of true love's course running as roughly as Shakespeare thought it did ("A Midsummer Night's Dream," Act I, Scene 1), all that moviemakers can do is ditch the real world and invent a world of their own. Slip into fantasy, that is. Thus we have had a modestly entertaining film just recently in which a young fellow became so zealously enamored of a mermaid that he was willing to pursue her, by taxi cab and by breaststroke, through the streets of a metropolis, including a detour into Bloomingdale's, and thence into the waters off the lower end of Manhattan (I think). In the end, boy got mermaid, along with the comforting knowledge that she could turn herself into a girl when the spirit so moved her, but — as you can see — it all took some overcoming.

"Splash," the picture's name was. In the slightly newer "All of Me," leading man Steve Martin (I can never quite decide whether Mr. Martin is a leading man or a comic) finds himself inadvertently boxed by expiring heroine Lily Tomlin. In this instance, the expiring heroine expires early, but you mustn't think we are rid of her. Possessing the ability to pop into a borrowed body, Miss Tomlin takes a shot at it, misses her intended mark, and winds up inhabiting Mr. Martin's entire right side.

Mr. Martin now walks down corri-

ders, and even into men's rooms with his left side functioning in thoroughly masculine style but with his right behaving oddly. His right hand flips sharply up at the wrist, delicately raised in the manner of a courtesier's model or an old-fashioned Ziegfeld showgirl. Meanwhile his right hip develops a considerable come-hither sway. (At the risk of sounding like a spoilsport, I am bound to confess that I did not believe this double image. Mr. Martin's wrist-hip flourish is meant to remind us that Miss Tomlin is right there inside him, at all times. It doesn't. The reason it doesn't is that Miss Tomlin doesn't walk like that, and, to the best of my knowledge, never has. Which leaves our comic leading man doing a standard camp swish that has nothing to do with the personality presumably locked inside him. All right, I'm fussy.)

Before "All of Me" there was "Tootsie," that phenomenally successful bit of romantic fluff in which the delectable leading lady turned out to be Dustin Hoffman. You see what people will believe. But nowadays they've got to believe it or they'll have no moonstruck yearning, no billing or cooing, at all.

The absence of impediments has, of course, affected the theater as well, though the theater seems to have chosen a decidedly different way around the no-contest problem. The theater can do mermaids, if need be, or at least lizards, as Edward Albee's "Seascape" demonstrated some time ago. But it would seem at the moment that playwrights, rather than cope with the difficulty of fabricating difficulties, have opted for putting the "man-woman thing" (as I once heard it called) to one side, forcing it to play second fiddle to another, and much deeper, passion. Glance along Broadway, and Off. Are there male-female lovers still around? Oh, yes. That's a very determined Annie in Tom Stoppard's "Real Thing," collecting husbands and lovers as though they were trophies. And the hero of Arthur Miller's revived and revised "After the Fall" has to work his way through three marriages before achieving a glimpse of satisfaction.

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FEW WOMEN are so well known by their first name that hardly anyone knows what their surname is. One of them is Régine, who founded a chain of 17 exclusive night club-restaurants bearing her name that flourish on three continents.

Régine's are private clubs with 50,000 members in all except New York, where the Park Avenue establishment is open to all — that is, all who can afford to pay the price of dinner and entertainment.

Although the red-haired "Queen of the Night" (as she is often called) looks as if she were born with a silver spoon in her mouth, the wartime childhood of Régine Choukroon, a Belgian-born Jew, was full of pain.

At the age of 13, in 1944, she was separated from her parents by the Nazis, and she went to work as a maid in a private home in Lyon. Before that she and her siblings went barefoot and slept fully clothed, fearing they might be taken away some night.

Régine today owns more than 700 pairs of shoes, and an equal number of dresses and other outfits. "I can wear a pair of shoes for two weeks at a time," says Régine, who recently spent a few days in Jerusalem as a houseguest in the magnificent home of Gitta Sherover. "My dream is to buy a new dress and shoes every day and to give it away the next day. I always wore hand-me-downs as a child, so I like to give clothes away to friends and the needy."

But she pads around the Sherover home in bare feet (showing red-painted toenails) and wearing a simple, white, linen shirt-dress.

Régine's father (they were later reunited) owned a cafe in Paris and was also a baker. From him, and from waiting on tables, Régine learned about food. Régine Zilberberg was married at a very young age and then divorced her husband. When she was 19, she began to sing and dance — talents that she continues to display today. She is a well-known performer in France, appearing in a movie a year, among them Claude Berri's *Mazel Tov, Mazel Tov*. But she is probably best-known for her restaurant clubs, which she began 25 years ago.

"I'm a night person; I don't need more than two or three hours of sleep," says Régine, whose name means "queen." "My ambition was to become an international person; and I succeeded."

Among her friends she counts movie stars and media and political figures, among them Sammy Davis Jr., the Kennedy family, Gregory Peck, Julio Iglesias ("he's like my

## A queen of the jet set

By JUDY SIEGEL-ITZKOVICH/Jerusalem Post Reporter



Régine Choukroon... 'I'm a night person.'

(Auerbach)

brother") and Barbara Walters. "We're friends. That means not just seeing each other, but doing things together."

She threw a party for Ronald Reagan before he was elected presi-

dent at Régine's in New York. "He invited us to the inauguration," she says offhandedly. "Us" is Régine and her second husband, an engineer. She also has a 34-year-old son, Lionel, who is a journalist with

*La Liberation* and who also writes film scripts.

Régine speaks a good Yiddish, an inheritance from her Polish parents and she "forced" herself to learn English after opening the restaurant in New York. Singing lyrics in English also helped.

"I have found peace in Jerusalem," says Régine, on a lounge chair overlooking the lovely Sherover garden and swimming pool. "I'm anxious, but I'm good-anxious," she adds. Her restaurant clubs, all franchised, are successful because they serve good food and because they are a quality place to dance, Régine explains. "We don't force people to drink." The New York Régine's is open from 7 p.m. to 4 a.m. Dinner is a (reasonable) \$50 a head.

In the private clubs, membership is \$800 for the first year and \$400 for following years. Some 50,000 "beautiful people" around the world — from Miami to Hongkong and Kuala Lumpur — are members of Régine's clubs. Members can enter any Régine's club, she says, and feel at home.

Régine and her husband chose the top management of each club; the whole chain employs some 1,000 persons.

Asked whether Israel may, too, someday have its own Régine's, she says: "Why not?" although she is aware of economic troubles in the country.

She feels "completely" at home in Jerusalem, and expresses great admiration for Mayor Teddy Kollek for what he has done for the city since she saw it last 15 years ago.

Though not religious, she feels "very Jewish," and spends much time raising money for Israeli causes. She is currently working on a fund-raising bash at New York's Régine's on November 19. Proceeds will go to the Council for a Beautiful Israel, to build a training centre. On the day we met, Régine was the luncheon guest of Aura Herzog, who was founder of the council and for many years its chairman. Régine also hopes to help bring film stars to the Jerusalem Cinematheque, where she was hosted by Lia Van Leer.

Régine, who travels six months a year and is in Paris the rest of the time, says she enjoys her life, but many of the international celebrities she knows are not happy. For them, it is a hard life. Gregory Peck is one of the few, she says, who is content.

Those who want to know more about the stars, and about Régine, will have to wait for the publication of her autobiography — *Call Me By My First Name*.

down on our "primitive" ancestors, whether they lived one century back or 50, but I don't know by what right. Did having no fridge in the kitchen and no atom bomb in the backyard make them inferior to us? They bled when pricked and laughed when tickled, and like us they pondered the riddles of the universe and were afraid to die. When Mrs. Caveman's eldest went on his first bear hunt, she couldn't keep her mind on her cooking either, and kept dropping things all day. And when her man was late getting home, she wondered whether he'd had an accident or was up to some hanky-panky with that floozy from the next cave, just like your Mrs. Cohen next door.

Indeed, to go back right to the start, if it had been us in the Garden of Eden, wouldn't we also have been drawn like a magnet, serpent or no serpent, to that single forbidden tree?

A brilliant performance of Geršwin's *An American in Paris* concluded the concert.

RECITAL by Isaac Stern, violinist and Paul Oistrach, pianist (Mann Auditorium, Tel Aviv, October 28). Beethoven: Sonata No. 4, in A minor, Op. 23; J.S. Bach: Partita No. 1 in B minor for violin solo; Szymanowski: "La fontaine d'Arles"; Ravel: *Perpetuum mobile*.

THIS recital must be considered in three parts: the Beethoven sonata, the Bach partita and finally the rest of the programme.

In the Beethoven sonata, Stern again showed a surprising weakness both in tone and musical interpretation. One was tempted time and again to switch attention to the pianist. Stern did bring out the basic musical properties of the sonata: restlessness, drama and strong emotional involvement, but most of it lacked conviction and interest. Only occasionally the often stunning interpretative personality of Stern surfaced sufficiently.

The Bach made one ask why had he to play it. It brought the quality of performance down to a low that Stern could have spared himself. His immense experience and willpower saved him from a complete collapse. In view of Stern's unique achievements as one of the great violinists of our time, it seems appropriate not to go into details.

With the third part of the recital, in the Szymanowski and Ravel, Stern underwent a true transformation. His tone worked wonders, his intonation became flawless; and technical problems seemed nonexistent. There was a complete recovery of imagination and spontaneity. The two charming pieces, both impressionistic, emerged in scintillating colours, with all of the trills, and other embellishments coming across in total clarity and accuracy. Lyrical passages had all the warmth and beauty of (one expects from) Isaac Stern. The pianist contributed a marvellous

## Kicking the habit

By LARRY GERBER/Maieru (Romania)

THE TOWN of Maieru in Transylvania is kicking the smoking habit, and local people say only a few hundred puffing holdouts are keeping Maieru from being cigarette-free.

"We have a tradition of keeping our spiritual and physical vigour," said Sever Ursu, director of the local school in this farming centre of 7,000.

A birth rate three times higher than the national average inspired the voluntary no-smoking movement, which began early this year. Ursu said. Nearly one-third of the population is under 16.

Ursu estimated that 200 people here smoke cigarettes, or 2.8 per cent of the population. It's a rare statistic for Rumania and for most countries in the Balkans. Smoky

restaurants and butt-littered sidewalks are the rule.

The government-run press heralds the Carpathian mountain town as a place where nobody smokes. "More exactly, people willingly stopped smoking, one by one," said the official news agency Agerpres. It cited "a collective effort of will." Methods

were simple, the agency said — "conferences, leaflets and especially man to man advice. Gently, but at the same time persuasive."

"It is spontaneous, not organized," Ursu said. Although scores of people have given up cigarettes since the movement got going this year, "like any new initiative, it has its reverse. Some people smoke... it's hard to say exactly but I would guess about 200."

It's too big a vice to get rid of so easily, said Vasile Moisil, the local grocer.

The restaurant is the only place to buy cigarettes, but recent visitors found it closed because of the harvest. During a four-hour stay, two smokers were sighted, and one of them was just passing through on his horse-drawn wagon. (Associated Press)

## Plus ça change

RANDOMALIA/Miriam Arad

various loves for Jonathan, Batseba and Absalom, his wily political maneuvers and all.

What has always struck me most about David is his "modern" scepticism and, specifically, his deep distrust of human nature. Given the choice of divine punishment (for having ordered a population census) between famine, pestilence, and "three months of fleeing before thine enemies, while they pursue thee," he opts for either of the first two, bad as they are, for "let us fall into the hand of the Lord for his mercy is great, but into the hand of

man let me not fall." He could be speaking today, or at any other time between then and now.

Or let's skip to a couple of 14th century French politicians: "Each put his own interests above the kingdom's, each was given to conspicuous consumption to enhance and display his prestige" (Tuchman: *A Distant Mirror*). Save that it was horses with them and not Volvos, and that they didn't mouth pieties about the good of the party but about the good of France, they might be sitting in our Knesset.

We all have this tendency to look

## Received with pleasure

MUSIC REVIEWS

cello and orchestra, Op. 129; Mendelssohn: Symphony No. 5 ("Reformation"), Op. 107.

**METAMORPHOSES** on a *Galliard* by Noam Sheriff is an agreeable piece of music though rather unusual in the elements it mixes. Yet it convinces in its unity. Among the nine numbers, all sparsely orchestrated, restrained in tempo and limited in volume, there is one exception, the "Gigue," strongly influenced by Stravinsky, this number stands out conspicuously to the detriment of stylistic integrity. A pity the composer did not sense its incompatibility with the rest of the work. Conductor Eschenbach gave the whole work a clean, transparent and stylistically representative performance.

When cellist Haran began his solo, he created great expectations. The main subject was played with utter loveliness, mellowness of tone and nobility of expression. But it soon became clear that Haran could not live up to his opening. Throughout the performance, there was no modulation of tone or change in expression. The presentation failed to be emotionally stimulating.

Eschenbach adjusted himself surprisingly well to Haran's style, and though this did not contribute much to what the concerto should have been, it at least preserved unity of conception.

It was in the Mendelssohn symphony that Eschenbach was finally able to create something all his own.

fully under control. Furthermore, Eschenbach exhibited originality in his interpretation of Mendelssohn's Fifth, which stressed lyricism, drama and romantic excitement.

ISRAEL PHILHARMONIC ORCHESTRA, Zubin Mehta conducting; with Elena Bashkurova, piano, Sylvia Greenberg, soprano (Mann Auditorium, Tel Aviv, October 28). Beethoven: Overture to "Candide"; Chopin: Concerto No. 2 in F minor for Piano and Orchestra; Mozart: Two Arias; Geršwin: "An American in Paris."

ZUBIN MEHTA has developed a special style of opening concerts of light classical music: noisiness, bombast and not even the slightest sensitivity. So much for Bernstein's *Candide*.

Next we had a newcomer to our concert stage, Elena Bashkurova, who proved to be a musical nonentity with no tone at her disposal and not a trace of musical feeling. How was she allowed to perform with the IPO?

A consolation indeed was the second part of the concert. Sylvia Greenberg, whom regrettably we have not heard for some time, has become a remarkable singer and artist. Still a brilliant coloratura, she has added to this speciality some new assets: an overt sense of drama and a beautiful lower register, which made her encore from Puccini's *Gianni Schicchi* a delight. Both Mozart arias (in the first she mostly moved in the highest register in a precious pianissimo) were of highest quality. She

Israel Lands Administration  
Northern District

Carmiel Local Council

Arim Urban Development Co. Ltd.

### Owner-Occupier Construction at Carmiel — Phase 4 Remaining Plots

Twelve plots for single family construction and two plots for two family construction are still available within the framework of the "Owner-Occupier" programme, as published in August, 1984. The plots will be allocated to the public on the basis of updated land values and development outlay. Other conditions as published in the original prospectus, and subject to the changes indicated therein.

**The plots will be allocated to the public from 10 a.m. on Sunday, November 11, 1984, on a first come first served basis.**

**A draw will be conducted among those present.**

A bank cheque in the sum of IS100,000 must be deposited to the order of Arim Urban Development Co. Ltd., at the time of registration, to be held at the Arim office, Upper Nazareth, 16-100, Sun-Thur., between 9 a.m. and 12 noon. The cheque will be considered a down payment on the development costs.

Further details available at the above Arim office.

This notice in effect until January 15, 1985.

Upper Nazareth Municipality

Arim Urban Development Co. Ltd.

### Owner-Occupier Construction at Upper Nazareth Remaining Plots

Twenty one plots for single family construction and twelve plots for two family construction are still available within the framework of the "Owner-Occupier" programme, as published in August, 1984. The plots will be allocated to the public on the basis of updated land values and development outlay. Other conditions as published in the original prospectus, and subject to the changes indicated therein.

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Further details available at the above Arim office.

This notice in effect until January 15, 1985.

Dimona Local Council

Ministry of Construction and Housing  
Southern District

### Build Your Home at the Rakefet and Natan Albaz Quarters at Sderot Remaining Plots

The following plots are still available, within the "Build Your Home" framework as published in November, 1983:

**Rakefet Quarter** — 3 two-family half plots.

**Natan Albaz Quarter** — 3 single family plots.

The plots will be allocated to the public on the basis of updated land value and development costs. Other conditions as outlined in the original prospectus, and subject to the changes indicated therein.

**The plots will be allocated to the public from 10 a.m. on Sunday, November 11, 1984 on a first come first served basis.**

**A draw will be conducted among those present.**

A bank cheque in the sum of IS100,000 must be deposited to the order of the Israel Lands Administration at the time of registration, to be held at the Israel Lands Administration, southern district office, Sderot Ben-Zvi (above Yahalom Hall), during regular working hours. The cheque will be considered a down payment on the land value.

Further details available at the above Administration office.

This notice in effect until January 8, 1985.

Dimona Local Council

Ministry of Construction and Housing  
Southern District

### Owner-Occupier Construction — Neve Noy Quarter, Beersheba Remaining Plots

Eighty plots for two-family construction are available within the framework of the "Owner-Occupier" programmes published in June 1981, October 1982 and April 1984. The plots will be allocated to the public on the basis of updated land values and development outlay. Other conditions as published in the original prospectus, and subject to the changes indicated therein.

**The plots will be allocated to the public from 10 a.m. on Sunday, November 11, 1984 on a first come first served basis.**

**A draw will be conducted among those present.**

A bank cheque in the sum of IS100,000 must be deposited to the order of the Israel Lands Administration at the time of registration, to be held at the Israel Lands Administration, southern district office, Sderot Ben-Zvi (above Yahalom Hall), during regular working hours. The cheque will be considered a down payment on the land value.

Further details available at the above Administration office.

This notice in effect until January 8, 1985.

Dimona Local Council

Ministry of Construction and Housing  
Southern District

### Build Your Home in Dimona Remaining Plots

Four plots for single family construction are available within the framework of the "Owner-Occupier" programmes published in March and August 1981. The plots will be allocated to the public on the basis of updated land value and development costs. Other conditions as outlined in the original prospectus, and subject to the changes indicated therein.

**The plots will be allocated to the public from 10 a.m. on Sunday, November 11, 1984 on a first come first served basis.**

**A draw will be conducted among those present.**

A bank cheque in the sum of IS100,000 must be deposited to the order of the Israel Lands Administration at the time of registration, to be held at the Israel Lands Administration, southern district office, Sderot Ben-Zvi (above Yahalom Hall), during regular working hours. The cheque will be considered a down payment on the land value.

Further details available at the above Administration office.

This notice in effect until January 8, 1985.

Kfar Yona Local Council

Central District

Arim Urban Development Co. Ltd.

### Owner-Occupier Construction at Kfar Yona

The Israel Lands Administration, in cooperation with the local council and Arim, announces registration for the above programme, in the framework of which 47 plots will be allocated for single and two family construction.

Registration will be held at the Kfar Yona Local Council office during regular working hours. Registration will open at 9 a.m. on Tuesday, November 6, 1984, and close at 12 noon on Thursday, November 22, 1984. Further details and detailed prospectus available at the Local Council office.

Central District

### Offer for Lease of 2 Industrial and Artisans Plots in Petah Tikva Industrial Zone

The Israel Lands Administration invites bids for a development contract for land, details of which at the time of publication of the tender, are as follows:

Tender	Block	Parcel	Plot	Approx. area (sq.m.)	Development cost estimate (IS)	Minimum price (IS)	Deposit (IS)
M/84/83	6640	Various	4	9,200	73,800,000	188,581,276	10,000,000
M/84/84	6640	Various	2	13,600	108,800,050	301,405,000	15,000,000

In accordance with the Municipal Building Plan, construction will be permitted on 3 floors, 40% on each floor, making a total of 120%. The tender awarder must undertake to build on at least 65% of plot capacity.

\* Linked to September 1984 cost of living index, and to be paid separately to the industrial structures company.

**Only recommendees of the Ministry of Commerce and Industry may participate in the tender.**

Details, sample contracts and bid forms available at our Tel Aviv district office, 88 Derech Petah Tikva, Tel. 03-335211 during regular working hours.



## Development towns to get top priority

## Katzav plan ready to help jobless

By ILAN CHAIM  
Jerusalem Post Reporter

The Ministry of Labour and Social Affairs last week unveiled a wide-ranging battle plan to fight the social consequences of growing unemployment. Using measures such as greatly expanded retraining programmes for redundant workers and others aimed at saving the livelihoods of entire development towns, the plan seeks to soften the worst economic blows to hit what it calls "a society in crisis."

In a projection based on figures from previous periods of high unemployment in the mid-1960s and mid-1970s, the plan anticipates a higher crime rate, involving more crimes against property, fraud, and assault. More people will resort to illegal drugs, and alcoholism will increase. The chief daily concern of most people will be the acquisition of food at the expense of educational and cultural needs.

This gloomy forecast and proposed remedial measures were submitted to Prime Minister Shimon Peres by Labour and Social Affairs Minister Moshe Katzav. After obtaining Peres' endorsement, Katzav discussed it with Finance Minister Yitzhak Moda'i and it was agreed that the Treasury and Labour and Social Affairs Ministry would set up a joint team to implement it. How much the plan will cost and how it will be paid for have not been announced.

The following are the main points of the plan:

● **DOOMED FACTORIES.** Professional assistance will be given to industries liable to be hurt by the expected drop in local consumption. Such plants – and especially those in development towns – will be helped to become more productive or to switch to export production and their workers will be retrained to this end if necessary.



Moshe Katzav

● **RETRAINING WORKERS.** In accordance with export industries, unemployed workers from other industries will be retrained for export jobs in a greatly expanded format of existing retraining programmes. The first stage of the programme is aimed at retraining 3,900 unemployed workers.

● **DEMILITARIZED SOLDIERS.** A system of incentives will be offered to demilitarized soldiers and those about to complete military service to attract them to training programmes for export industries.

● **UNEMPLOYMENT PAYMENTS.** Due to the expected increase in unemployment, qualifications for receiving compensation will be tightened and the amount of compensation will be reduced gradually.

● **TRANSITION PAYMENTS.** An unemployed worker undergoing retraining will receive support payments approaching the level of his or her former salary, to minimize the transition from one job to another.

● **BENEFITS.** With the agreement

of the Histadrut and the employers, the plan will assure the continuity of workers' social benefits when moving from one job to another.

● **JOBLESS YOUTH.** All unemployed youth will be referred to special occupational training courses.

● **NEW IMMIGRANTS.** Existing programmes and benefits will be maintained, particularly projects set up for olim by public authorities.

● **DEVELOPMENT TOWNS.** Every effort will be made to preserve employment in development towns, including channelling government purchasing orders to their factories and providing incentives to hire more workers. In addition, the freeze on public sector employees will either be annulled or softened with regard to development towns.

● **EMERGENCY POWERS.** It is also proposed that the minister of labour and social affairs be empowered to declare a "state of employment emergency" in a development town on the basis of Employment Service reports, by which he could apply specific remedial measures. To this end, a file is being prepared on each development town, in which the "red line" of unemployment will be designated.

● **FOREIGN WORKERS.** Supervision will be tightened on foreign workers, including workers without permits from Judea, Samaria and the Gaza District.

● **OVERTIME.** The minister will limit permits for overtime work in areas suffering from serious unemployment, to encourage the hiring of more workers.

● **DEBT DEFERMENT.** Arrangements will be made for those whose sole income is unemployment compensation to postpone payments on such debts as mortgages, city taxes, utilities and health insurance premiums.

The above programmes are to be coordinated by a chain of command extending from an Inter-ministerial Employment Office to a National Public Employment Office to a Regional Employment Office. Special offices are to be set up to deal with youth.

## Prize freeze has supermarkets fighting for their survival

By YITZHAK OKED  
Jerusalem Post Reporter

TEL AVIV – The price freeze has managers of supermarkets confused, but as Binyamin Gaon, the general manager of the Dan Hasharon Co-op chain put it, "now the name of the game is survival."

With most prices under government control supermarkets will make only very small profits and they will have to fight to keep their head above water, according to Gaon.

He admitted that he was confused. "I have requested answers from government officials but have not received any," he said.

"I'll give you an example. I am puzzled about the price of sugar, rice and other imported grains. The present stocks will last for about ten days. What price will we charge after that? Will the government subsidize these commodities so that the price will not go up?"

All chain stores, including

Shekem, have promised to continue their reduced price sales. The Shekem spokeswoman was cautious and said that the chain will sell all at reduced prices as long as stocks last.

Visiting several supermarkets in the Greater Tel Aviv area during the morning and early afternoon, I did not see a great rush of customers. In one supermarket there were only about ten people. The manager told me, however, that Sunday is usually the quietest day of the week.

Gaon said that the Co-op chain had held its weekly managers' meeting yesterday and had taken several decisions. One decision is that every store will have a list of all prices under government control, so that every customer can check it.

Gaon said that during the first 11 months of this year there has been a 15 per cent drop in sales. He emphasized that this drop was largely in expensive items, on which the stores make the most profit. Sales of basic foods, which are nearly all under price control, remained steady.



The smile on Eli Hurvitz' face belies the seriousness of the situation as he answers a question at yesterday's meeting. (IPPA)

## In reaction to the package deal Manufacturers brace selves against 'storm of confusion'

By MACABEE DEAN  
Jerusalem Post Reporter

TEL AVIV – An emergency headquarters – which will try to bring order out of the confusion resulting from the package deal – was set up at Industry House here yesterday morning by the Manufacturers Association. The headquarters will be open continuously from 8 a.m. to 8 p.m., and those questions which cannot be answered by the officials on duty will be channelled either to Eli Hurvitz, president of the association, or Amnon Tiberg, its director-general, or to the heads of the various departments.

Hurvitz, Tiberg and leading members of the association were showered with questions yesterday afternoon about various aspects of the "package deal" at a special meeting of the executive committee. Practical questions dealt with matters of importing raw materials, their manufacture into finished products at a "fixed price," and problems of obtaining and granting credits. Often, the answer was, "we simply don't know the answer. But we'll check, and get back to you in a day or two."

None of the 80 industrialists who attended the meeting criticized the "package deal" as such, but only

tried to understand how it would affect them.

Perhaps their lack of criticism was due to Hurvitz demanding that they adopt an ice-cold and logical approach to the entire problem. "The present inflation is deadly, and if our sacrifices can help it, they will not have been in vain," he said.

He called on the manufacturers to adopt a five-point plan.

First, to adhere strictly to the prices which had been fixed and which were now under supervision; secondly, "to get back to running your factories as you did before inflation diverted your attention from production; third, to increase output by better management and introducing better methods of efficient production; fourth, to make sure that the costs of production not only did not rise, but to try to lower them. Finally, he called on them to see that any wage demands were rejected.

All these steps, he said, would help the industrialists to weather the present "storm of confusion."

The association has also decided to hold emergency meetings of its various industrial sectors during the next few days, so that specific problems can be discussed. Today, there will be a meeting of textile and fashion manufacturers.

## Haifa area contractors have fired 10% of their men

By YA'ACOV FRIEDLER  
Jerusalem Post Reporter

HAIFA – The situation in the construction industry in Haifa and vicinity is "very bad." More than 10 per cent of the labour force employed by the contractors who are members of the contractors' union has already been dismissed, union secretary Avigdor Herschkovitz told The Jerusalem Post yesterday.

He said these firms had employed about 10,000 men, of whom over 1,000 have now been laid off. The redundancies hit both Jewish and Arab workers.

The contractors are doing their best to keep on the veteran skilled workers, "both as a valued resource and because they feel a commitment to them," he said.

In residential building there are now hardly any new starts, with the exception of a few private villas and the completion of some large housing projects. This includes the Ramat Sapir project near the Ramot

Remez quarter, where the last of the scheduled blocks are going up.

The stock of unsold apartments is also low, though "interest is quite brisk, with a few sales actually being finalized." The union intends to inform the mayor about the situation, which may lead to a severe shortage, he said.

The situation was not much better in industrial building, he said. This was both because demand was declining and because the uncertain economic situation and the high cost of labour and capital had made contractors wary of starting new projects. Some firms were no longer competing for tenders and some were even having second thoughts about contracts already signed, because they felt they could no longer meet their commitments, Herschkovitz said.

"While in the past complaints from contractors were sometimes exaggerated, this time they are genuine. We are in a real bind," he said.

## Egypt cuts its oil exports

CAIRO (AP) – Egypt now exports only one third of its oil after production was decreased by 3.3 per cent last week. Oil Minister Abdel-Hady Ka'dil said on Sunday. Egypt now exports 290,000 barrels from its present oil production of 870,000 barrels daily, the rest is consumed locally.

Although Egypt is not a member of the Organization of Petroleum Exporting Countries (Opec), it decided to decrease its oil production starting November 1. "In a move to 'prop up' the Opec cartel price structure, Opec countries also cut down their daily production from 17.5 million to 16 million barrels to prevent oil prices from dropping."

Egypt previously produced 900,000 barrels a day, exporting nearly half of that amount. Its oil prices have been unchanged since last April.

The price of the top grade Gulf of Suez blend is \$28 a barrel, with prices decreasing to \$25.60 for lower-grade blends.

## Americans using 21% less energy

WASHINGTON (AP) – With most of the savings coming from industry, Americans are now using an average 21 per cent less energy than they did before the Arab oil embargo a decade ago, the government says in a new report.

By turning down thermostats, driving less and buying more fuel-efficient cars, machinery and appliances, Americans reduced energy use 4 to 6 per cent in each of the three years after the 1979 Iranian revolution sent world oil prices soaring from \$13 to \$34 a barrel.

But with oil prices down to less than \$29 last year and natural gas

prices finally stabilizing, per capita energy consumption fell only 2.4 per cent last year, the Energy Information Administration said.

In economic terms, the U.S. is using 25 per cent less energy now than it did in 1970 for every dollar of goods and services it produces, after adjustments for inflation, the agency said in its annual report on energy conservation indicators.

Conservation has reduced energy consumption in two ways: direct cuts on energy use such as driving less and lowering thermostats in the winter, and longer-term advances such as increasing insulation and the fuel efficiency of automobiles.

## Lloyd's: Gulf war is good for business

DETROIT (Reuters) – The 49-month-old Gulf war between Iraq and Iran has been so good for the insurance business that underwriters "are crying all the way to the bank," according to the chief executive of the Lloyd's of London insurance market.

Ian Davison, who is also deputy chairman of Lloyd's, told a news conference in Detroit last week that the war had caused Lloyd's insurance rates to rise. "It's actually good for our business," he said. "Every one who sends a ship into the war zone recognizes the necessity of

being insured, even though the premiums are high."

Losses to insured ships were not as high as the insurance premiums generated, he said. But premiums, paid for ships sailing through the Gulf were "still a bargain" when balanced against the value of the petroleum at risk.

Davison said Lloyd's had suffered more losses from 20 ships boarded up in the Iraqi port city of Shatt-al-Arab since the start of the Gulf war than from ships damaged or sunk by military action.

## PRICE FREEZE

(Continued from Page One)

produced goods. The industrialists will simply ignore the entire package deal and will continue to make deliveries to local customers.

On the retail level, they noted, it could soon be impossible to buy a typewriter or a car or anything else since the retailer will face an ever increasing loss as the real income on the sale drops. Retailers will either refuse to sell goods at a loss, or will go the black-market route.

Another situation could easily develop whereby a component manufacturer who imports raw materials will be forced to sell his components at a loss to the manufacturer of the finished product. But the manufacturer of the finished product will be able to export at a considerable profit – since his component supplier is being forced to sell to him cheaply.

The speaker said that some manufacturers – those who came under fire in the past few weeks for jumping their prices before the package deal took effect – may not do too badly. They have raised prices to such an extent that even though prices are frozen, they will be able to weather the storm.

One thing is certain, the speakers said. "The present situation will be justified only if it gives the government a breathing space to seriously set about cutting the national budget. The government printed the equivalent of \$2 billion in the first eight months of 1984. If it really cuts its budget, if it stops printing money, then the package deal will make sense."

"But so far, the government has not cut its expenditures noticeably,

and it is trying to solve its problems by instituting taxes on property and high-school tuition fees. All such measures are counter-productive because they lead to demands for higher wages."

"There is much more to be said for a tax reduction in the present situation," they said. "This could lead to the transfer of resources from the public sector to the productive sector. This is the only way to reduce imports and increase exports."

Moreover, now that the government has made an effort to break the linkage chain of prices and wages, it is possible that demand for goods may drop, since lower wages must have their effect. This could lead to a reduction in wages. (The prices of goods will fall due to lower demand, so wages can be reduced; and these lower wages could bring about improvement in the competitiveness of Israeli goods abroad.)

However, for the package deal to be really effective, they said, the public has to be convinced that it is part of a comprehensive economic programme. Otherwise, it might just create chaos among the industrialists and nervousness among the wage earners.

## Sudan airline cuts its losses

KHARTOUM – Sudan's newly constituted National Air Carrier has suspended flights to seven major cities in Europe, the Middle East and Africa and is considering layoffs to cut losses.

## Le Monde faces money crisis

PARIS (Reuters) – Le Monde, France's most respected and influential newspaper, is facing one of the worst crises in its 40-year history.

Famous for the authority of its articles and the austerity of its prose and layout, the daily newspaper that calls itself "A pillar of the written word," is losing readers, advertising and money at an alarming rate.

Last week, director André Laurens gave staff an ultimatum: if by December 1 they did not agree to a solution to the paper's pressing problems, he would take the appropriate legal steps.

Many at Le Monde saw this as a veiled warning that the newspaper might file for bankruptcy.

Circulation has dropped by seven per cent this year and is expected to average only about 350,000 for the whole of 1984 – nearly 100,000 less than the Times in Britain.

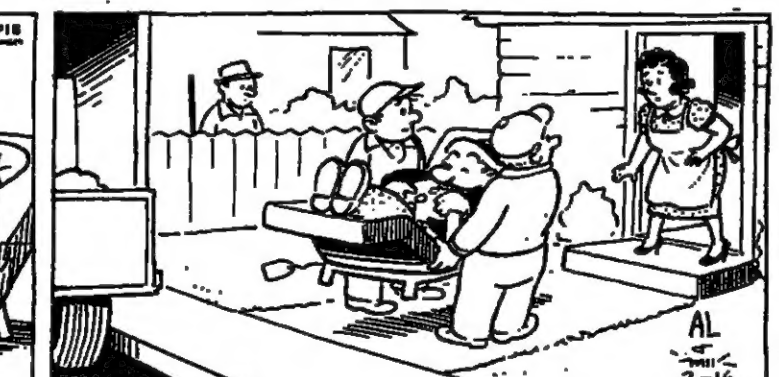
Cautious attempts to brighten the weekly slabs of news with photos and entertaining comment have failed to reverse losses that could rise to 35 million francs (\$3.7m.) this year from 29m. francs (\$3m.) in 1983.

The ultimatum was a shock, not least to the 180 journalists at Le Monde. Journalists have the final say in the appointment of the director and hold 40 per cent of the voting shares, with a right of veto on decisions affecting the future of the paper.

## New members of Hana

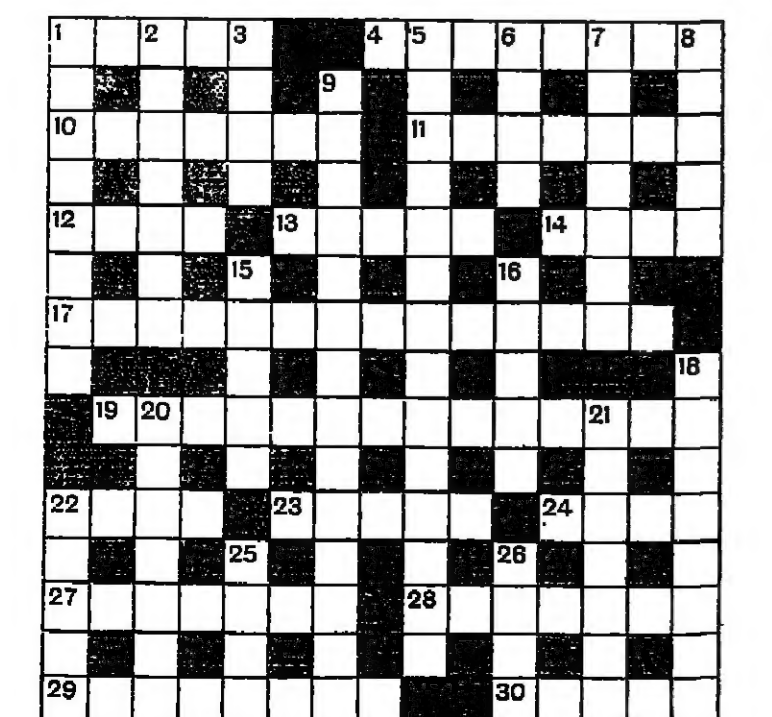
Jerusalem Post Reporter  
Energy Minister Moshe Shabai yesterday appointed three new members to the board of directors of Hana, the National Oil Company (Investments).

The three – all affiliated in the past with fuel matters – are Alfredo Rosenzweig, a geologist; Eliezer Hirsenson, a veteran staff member of the Haifa Refineries, and Yossi Katz, presently legal adviser to the Haifa Labour Council.



## ONE-AND-ONE CROSSWORD

- |  |   |
|--|---|
| <b>ACROSS</b>  | <b>DOWN</b>   |
| 1 & 4 Sharp as a dagger! (5-8)   | 1 Hit and run haphazardly (8)                             |
| 10 Where a male and female meet overseas (7)                                     | 2 Islands of the deep Pacific (7)                         |
| 11 Badgers with epidemic diseases (7)  | 3 Somewhat illustrious musical group (4)                  |
| 12 Presses for payment in Berkshire (4)  | 5 Flat refusal I am placed in the position to give (8, 6) |
| 13 State about ten meals (5)   | 6 Leap about the ring (4)                                 |
| 14 Lively historian the Spanish exiled (4)                                       | 7 Meeting of former associates disrupted in Rouen (7)     |
| 17 Evaluations given one after the other (6, 8)                                  | 8 Princess reserved? Attractive, rather (5)               |
| 19 Such an existence was no qualification for the Dum-dum Fitch! (1, 3, 5, 3, 4) | 9 Unlike money-lenders to be so indifferent (4, 2, 8)     |
| 22 Swimmer carrying about a revolver (4)   | 15 She can rise in the motor-ing organisation (5)         |
| 23 225 note introduced would be a bloomer (5)                                    | 16 Wild creature doing badly (5)                          |
| 24 A bit of a rag, maybe (4)   | 18 Not in black and white, so it's said (8)               |
| 27 I've writhed in pain to do so (7)   | 20 Settle in a plegmatic way (5, 2)                       |
| 28 Avoiding contact at a communal gathering (7)                                  | 21 Fashionable concept in meagre Gateshead (2-5)          |
| 29 Work back to back on location across the way (8)                              | 22 Tea firm plainly South American (5)                    |
| 30 Where George initially heartens a girl in the Midlands (5)                    | 25 Officers use it, but not the orderly room (4)          |
|  | 26 Active performer rode about (4)                        |



## GENERAL ASSISTANCE

- |   |  |
|---|--|
| <b>EMERGENCY PHARMACIES</b>   | <b>FIRST AID</b>   |
| Jerusalem: Orab, 27 King George, 241696.<br>Balsam, Salah Eddin, 272315, Shu'afat, Shu'afat Road, 810108, Dar Alidwa, Herod's Gate, 282058.<br>Tel Aviv: Lev Hair, 69 Ehad Haam, 613662.<br>Bavli, Shikun Bavli, 440552.<br>Netanya: Hanaad, 36 Weizmann, 23639.<br>Haifa: Yavne, 7 Ibn Sina, 672288. | Added: 41333 Jerusalem 523133<br>Ashdod 33333 Kiron 344442<br>Bnei Brak 78333 Kiryat Shmona 44334<br>Beer Sheva 78333 Nahariya 923333<br>Carmiel 988555 Netanya 23333<br>Dan Region 781111 Petah Tikva 923111<br>Elitz 72333 Rehovot 51333<br>Hadera 22333 Rishon LeZion 94333<br>Haifa 51223 Safed 30333<br>Holon 30333 Tel Aviv 2340111<br>Holon 80333 Tiberias 90111<br>Mobile Intensive Care Unit (MICU) service in the area around the clock.<br>101 Emergency phone number in most areas.<br>Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem – 810116, and Haifa 47791.<br>"Ezer" – Mental Health First Aid, Tel.: Jerusalem 649911, Tel. Ashdod 23311, Haifa 67222, Beer Sheva 418111, Netanya 35316.<br>For information on Battered Women Shelters call Family Violence Service – 02-231675/23522 or any of the Rape Crisis Centre or Ezer Unit.<br>Jerusalem Center for Drug Abuse and Misuse Intervention, Tel. 663828, 663902.<br>14 Bethlehem Rd. |
| <b>DUTY HOSPITALS</b>   | <b>FLIGHTS</b>   |
| Jerusalem: Bikur Holim (pediatrics), Hadassah E.K. (internal, surgery, orthopedics, E.N.T.), Hadassah M.S. (gynecology), Sheare Zedek (ophthalmology).<br>Tel Aviv: Rokah (pediatrics, internal, surgery), Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).                  | <b>24-HOURS FLIGHT INFORMATION SERVICE</b><br>Call 03-972484 (multi-line)<br>ARRIVALS ONLY (TAPED MESSAGE)<br>03-381111 (20 lines)   |
| <b>QUICK CROSSWORD</b>  | <b>POLICE</b>  |
| 7 Thespian art<br>8 Complete agreement<br>10 Malaria antidote<br>11 A saying  | Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.  |
| 12 Test (abbrev.)<br>13 Supplies<br>17 Spite<br>18 Heavenly body<br>22 Freshwater fish<br>23 Small onion<br>24 Large drinking cup<br>25 Renowned  |  |
| <b>DOWN</b>   |  |
| 1 Feast<br>2 Morally correct<br>3 Sluggish mollusc<br>4 Childhood<br>5 Short composition<br>6 Glossary<br>9 Luxury top-hat<br>14 Tanned hide<br>15 Kind of cheese<br>16 Complaint<br>19 Raised platform<br>20 Pastime<br>21 Colourful parrot  |  |

## Yesterday's Solutions



- Quick Solution**
- ACROSS: 5 Guard, 8 Hen-party, 9 Obese, 10 Proclaim, 11 Dermis, 14 Tea, 16 Wallow, 17 Celery, 18 Out, 19 Machine, 24 Egg-thinner, 25 Fodder, 26 Intaglio, 27 Spongy, 28 Downy, 29 Whips, 2 Union, 3 Rally, 4 Attire, 6 Umbrella, 12 Rosemary, 13 Malaria, 14 Plumber, 14 Two, 15 Act, 19 Urgent, 21 Stray, 22 Small, 23 Orion.



## HOUSING BRIEFS

**By AARON SITTNER**  
**STATE MORTGAGE** assistance for eligible families is up by an average of 24 per cent. The biggest subsidized loans are available for settlers in development towns - for example, IS13.4 million for a six-member family in need of a flat. The amount does not include the housing grant given to families relocating from the centre of the country to a development town.

**CEMENT** consumption by the building sector this year - 2.05 million tons - is down by 300,000 tons compared with last year, according to figures prepared by Nesher Cement Company and reported by the Federation of Contractors and Builders. The organization says the 12.7 per cent slump in cement use is "another indicator of the depression in the housing industry."

**THE CONTRACTORS** and Builders Federation claims reinforcement bars prices soared by 340 per cent in the first nine months of this year, compared with the 253 per cent rise in the Consumer Price Index and the 264 per cent in the exchange rate of the shekel vis-a-vis the U.S. dollar.

**FREE ADVICE** on how to make your home more comfortable by noise prevention is now available at the Israel Building Centre at 40 Rehov Ha-Universita, Tel Aviv. Sound engineers will give practical hints on how to control noises coming in from the street as well as

internally generated noise caused by a building's occupants - from storey-to-storey, flat-to-flat and room-to-room. The noise control consulting service is available on the first Tuesday on each month, between 3 p.m. and 7 p.m.

**BNEI BRAK'S** town planning committee has asked the Interior Ministry for permission to increase building height in certain sections of the city. The changes barred by existing zoning regulations, include adding a storey to buildings on a number of streets included in the Project Renewal urban rehabilitation scheme.

**ASHDAR BUILDING** Company, which last month reported a sales slide, yesterday announced a modest turnaround. The firm says it sold 39 housing units last month, compared with 37 in September. It attributes the success to an active marketing campaign. Some of its prices are: \$38,000 for a three-room flat in Pisgat Ze'ev, Jerusalem; \$35,000 for a four-room unit in Ariel and \$34,000 for a three-room flat in Givat Shimon, Samaria.

**DAVID COHEN**, a member of the Histadrut's executive, has been named chairman of the labour federation's Tenant's Protection Committee. The unit, which looks out for the interest of salaried workers living in rent-controlled flats, has until now been headed by Zvi Natanson, who has reached retirement age.

## China breaks up its airline monopoly

**PEKING (Reuters).** - China's national airline monopoly CAAC will be broken up into separate companies, airline director Shen Tu said last week. He said CAAC will be split into three new companies based in Peking, Shanghai and Canton in the first half of next year.

Air China, based in Peking, will be the main international airline, but Shanghai's China Eastern Airways and Canton's Southern Airways at Canton will eventually become full international carriers.

China Southwestern Airways in Chengdu and the China Capital Helicopter Company will also be established, along with several smaller regional airlines. Shen told a CAAC meeting according to the new China News Agency.

The new airline companies in China will be allowed to negotiate contracts with domestic foreign firms

for buying and leasing planes, Shen said.

The breakup of CAAC, which has come under heavy fire at home and abroad for inefficiency and a poor safety record, was heralded earlier last week, when Shen announced the separation of its freight sector.

**PREFERENCE.** - Construction firms in Saudi Arabia will be fined if they do not give preference to local materials as specified in contracts, the official Saudi press agency reported yesterday.

**POWER STATION.** - The Maor David power station in Hadera was toured on Friday by about 300 people to mark the completion of the project. The station has four generating units with a total production output of 1,400 megawatts and it meets 55 per cent of the country's electricity needs.

## Matti Morgenstern now at the helm Despite first-half \$40m. loss, optimism prevails at Zim

By YA'ACOV FRIEDLER  
 Jerusalem Post Reporter

**HAIFA.** - The appointment of Zim veteran Matty Morgenstern as the shipping company's new general manager is seen by industry experts as a vote of confidence for the management by the firm's board of directors.

The board, which is dominated by the Israel Corporation, which was recently acquired by the Eisenberg group, voted for Morgenstern on Thursday, as briefly reported in *The Post*. It had generally been assumed that an outsider would be appointed in view of the large losses Zim had run up during the past two years. The Israel Corporation owns 50 per cent of Zim shares, the government 40 per cent and the Histadrut the remaining ten.

Morgenstern, 50, who had been acting-general manager since the retirement after ten years of Yehuda Rotem in September, has been with Zim since 1950. He started as a seaman and worked his way up through the management ranks in Israel and abroad. He was made a senior deputy-general manager in 1981.

Some experts held that because of the company's recent losses and the continuing shipping slump, outsiders, headed by recently retired head of the Ports Authority Yitzhak Rabav, preferred to keep their hands off the firm's unsteady helm. At the same time, it was thought, the Eisenberg people finally preferred to keep management in the hands of a seasoned company man, rather than risk rocking the boat at a critical stage.

Experts held that after studying the company's books the Eisenberg people reached the conclusion that despite present difficulties Zim is basically sound.

This favourable view is shared by the head of the Israel Shipping Research Institute, Dr. Naftali Wydra, himself a former Zim general manager.

In an interview Wydra noted that while Zim had run up an operating loss of \$26.5 million in 1983 and reportedly lost over \$40m. during the first half of this year, "the situation has turned around during the past four months."

Freight charges on Zim's foreign routes, which account for 60 per cent of its income, have gone up by up to 25 per cent. The cut-throat competition on the home lines, which had caused serious losses to Zim and its competitors, ended last July with an agreement to raise charges back to a reasonable level. The company has

also succeeded in increasing its cargo volume, he noted.

While there had not yet been enough good times to wipe out the losses of the first half of the year, "even a five per cent improvement" would raise the company's revenue, which is over \$700m. a year, by nearly \$40m. he noted. He said the company was in a fit condition to recover, provided the international situation continued to improve.

Israel's government does not grant export incentives to the shipping industry or even the exchange rate insurance given to others, an attitude he considers intolerable.

Wydra said that one of Zim's great difficulties was the high cost of its Israeli crews, whose wages are dollar-linked. While three years ago they were roughly on a par with European scales, the rise of the dollar against the European currencies had now put them 30 per cent ahead. "Which makes it hard to compete," he added. European ship owners also enjoy government subsidies, putting them in an even more competitive position, he said.

When Morgenstern was appointed acting-manager in September he was widely considered an "interim" appointee. However, on second thought, and with the warm recommendation of Rotem, the board has now changed its mind.

## MARKET STATISTICS

General Share Index	539.44	+3.18%
Non-bank Index	360.47	+5.47%
Arrangement Index	665.43	+2.30%
Industrial Index	417.36	+5.42%
Bond Index	408.82	+0.46%

Turnovers	
Shares	IS172.3m.
Bonds	IS146.8m.
Totals	IS319.1m.
Advances	440
Declines	181
of which 5% +	181
of which 5% -	5
"Buyers only"	211
"Sellers only"	0

Most Active Shares	
Hapozim	14535 15179.7m. +465
Leumi	9110 15166.0m. +30
IDB	21180 1588.7m. +870

Sharpest Moves	
Sotom Metals op.	193.5 +32 +36.8%
Jayapour op.	121 +31 +34.4%
Baruch op.	87 +20 +29.9%

FOREIGN CURRENCY	4.11.84
INTERBANK SPOT RATES:	
US\$	1.2531/2543 per £
DM	2.9400/2.9430 per £
Dutch G	3.3160/3.3210 per £
Swiss FR	2.4200/2.4310 per £
Belgian Cof	59.6359/68 per £
French FR	9.0600/9.0700 per £
Italian Lire	1837.00/1840.00 per £
Yen	242.15/242.30 per £
US\$	0.9960/0.9970 per SDR
GOLD:\$343.10	
FORWARD RATES:	
1 month	1.2526/98 1.4170/06 2.9280/3
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NORWAY	KRONA	1 61.2173 61.9812	59.8800	62.8300
DENMARK	KRONA	1 49.2716 49.8864	48.3000	50.5700
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## Huge boom follows package deal

Rises on a scale not seen since March of this year swept the entire share market yesterday in reaction to the wage/price freeze in the economy.

The statistics of the advance made totally loquacious reading. For every share that fell (9), 4 remained unchanged and 49 rose. Of the 440 advancing issues, 392 rose by 5 or more per cent, including 211 that were marked "buyers only."

The statistics are worth analyzing in detail, since it is not often that the market provides such a display of fireworks. The General-Share Index rose by only 3.18 per cent, but the reason for this moderation is not hard to find. The "arrangement" share sector gained 2.3 per cent, as dollar-linked investments suddenly went down the list of investors' priorities.

The non-bank index, in contrast, showed an overall advance of 5.47 per cent, which was about the same as the amount of gain showed by the industrials, real estate and service and trade sectors. Mortgage banks put on almost 7 per cent, and investment companies and oil shares topped the list with rises of 7.5 and 7.72 per cent.

Volume did not reflect the size of the rises, perhaps because so very many issues were marked "buyers only." The total of IS1.27 billion was split almost evenly, with IS700 million going to the "arrangement" sector and the remaining IS570m. to the "free" market.

However, this is not the full story. The managers of the various mutual fund groups reported massive demand for funds specializing in share

## Tel Aviv Stock Exchange

By PINHAS LANDAU

investments, as well as continuing heavy demand for dollar-oriented funds - this latter, a spillover from last week, apparently.

Many funds have shrunk to almost nothing during the long months of slump, and the sudden influx of money was like pouring water into a man parched with thirst. The funds simply couldn't handle the quantities. Many funds announced that they were only responding partially to the orders they received, while some closed funds refused to issue any more units at all.

Analysts agreed that the funds have a serious problem with the money they are accumulating. If they take it to market and try to buy shares in the current atmosphere, they will only cause more and more "buyers only" situations, and force prices up by huge margins, while not succeeding in investing their money in a logical manner.

So much for what happened yesterday. Where does it all lead? In the first place, what has caused this explosion of demand?

Obviously, the answer is the signing of the package deal with its freeze on wages and prices. This, if it works, makes shares relatively more attractive than they were in the period of rising inflation, and makes the dollar and index-linked bonds relatively less attractive. Thus the immediate, knee-jerk reaction to the

signing of the package deal was a rush for shares.

But within a few days second thoughts will probably begin to set in. Has the position of industry, and of the other companies that these shares are supposed to represent, improved as a result of the deal? Most manufacturers, and most observers, will say that it hasn't.

Furthermore, what is the chance that inflation will really go down sharply? Even if the answer is non-committal, the short-term outlook is not good, in that November will see an index of 20 per cent or more, and December will probably also be high - even if the price freeze holds.

Therefore, say most experienced analysts, this boom will be brief and violent. When, after two or three days, the time for profit taking comes, the additional demand that will be needed to absorb the selling pressure from those who want to get out after having made a quick buck (sorry, shekel) will simply not materialize and the price rises will evaporate.

If, by some chance, the public became convinced that the deal was going to hold and inflation was going to decline, then there would be a huge and sustained boom, accompanied by expanding volume. As of now, that does not seem likely, nor do the professional commentators expect it.

## NOTICE

To gain more space for business news *The Post* from today is dropping the third column, which gave the actual change in prices, from its stock quotations. The last column gives the percentage change.

Company	Price	Volume	% change	Company	Price	Volume	% change	Company	Price	Volume	% change	Company	Price	Volume	% change
<b>Commercial Banks</b> (not part of "arrangement")				<b>Hotels, Tourism</b>				<b>Asia</b>				<b>Gal Ind 1</b>			
OHF R	5390	130	+10.0	GalZohar	no trading			Anglo	4465	8	+8.5	Gal Ind 5	1942	37	+5.0
Machin 5	2377	60	+4.0	DanHote1	448	30	+4.9	Shemen p	535	20	+10.1	Deser	4687	60	+4.8
Machin 5	2377	60	+4.0	DanHote2	267	30	+5.1		661	60	+5.0	Fertit U.I.	1848	550	+10.0
Com non-ar	5808	21	+10.0	Coral Beach	377	30	+5.0	<b>Textiles and Clothing</b>				Haifa Chem	901	60	+5.0
N. Amer. 1	2453	264	+10.0		380	89	-	Adgar	763	15	-	Teva r	6334	211	+10.0
N. Amer. 2	1727	335	+10.0	Yarden Hot	424	4	+17.5	Adgar op	470	-	-	Teva op.	4300	73	+13.2
N. Amer. 3	232	30	+11.7	Yarden Hot	350	4	+17.5	Ors	22	60	+7.1	Lipky op.	710	83	+10.0
Daot 1	421	60	+5.0	Yahalom	153	60	+4.8	Barnch 1	550	160	+10.0	Dead Sea	5355	60	+5.0
Daot 2	84	60	+5.0	Yahalom op	181	60	+8.7	Barnch 5	253	150	+10.0	Petroleum	442	60	+5.0
Daot sc 2	256	125	+9.9					Alaska 1	87	7	+29.9	Maxima 1	422	60	+5.0
Ferdin 5	609	60	+5.0	<b>Computers</b>				Alaska 5	no trading		Maxima 2	240	47	+9.9	
FIBI	494	60	+5.1	Hilon 1	391	100	+10.1	Ethan 1	286	20	+5.2	Maxima op.	265	45	+12.8
				Hilon 2	1188	46	+10.0	Ethan op	229	60	+5.2	Nesher Chem.	788	60	+5.1
				Y.ane	1911	24	+12.7	Yach 1	239	60	+5.3	Sano 1	755	237	+10.1
				Y.ane op	310	-	-	Yach 2	765	60	+5.3	Sano 5	561	11	+5.0
				Clai Comp.	824	102	+15.1	Yach 3	no trading		Kedem	577	60	+7.1	
				Clai Op	407	60	+21.5	Yach 4	no trading		T.G.L. 1	397	60	+5.0	
				M.L.L. 1	1080	3	+7.9	Yach 5	662	60	+5.1	T.G.L. 5	155	20	+9.9
				M.L.L. 5	814	40	+10.0	Yach 6	462	60	+5.1	T.G.L. 10	255	100	+9.9
				M.L.L. op	499	40	+17.4	Yach 7	140	21	+10.0	T.G.L. 15	1870	323	+10.0
				Mashov	250	-	-	Yach 8	110	100	+10.0	Yach 20	3404	60	+5.0
				Nikav 5	299	60	+5.0	Yach 9	99	200	+10.3	Taro	861	60	+5.0
				Nikav op	225	76	+23.6	Yach 10	38	245	+16.9				
				Team 1	1165	40	+5.0	Yach 11	164	8	+10.1	<b>Wood, Paper, Printing</b>			
				Team op	763	60	-	Yach 12	153	12	+8.6	Dafros 1	516	60	+5.1
								Yach 13	165	-	+10.7	Dafros 5	305	60	+5.2
								Yach 14	160	60	+4.9	Haman 5	484	60	+5.0
								Yach 15	160	60	+4.9	Haman op.	446	130	+13.5
								Yach 16	40	-	-	Yach 20	376	100	+10.0
								Yach 17	40	-	-	Yach 25	476	60	+5.0
								Yach 18	40	-	-	Yach 30	476	60	+5.0
								Yach 19	40	-	-	Yach 35	476	60	+5.0
								Yach 20	40	-	-	Yach 40	476	60	+5.0
								Yach 21	40	-	-	Yach 45	476	60	+5.0
								Yach 22	40	-	-	Yach 50	476	60	+5.0
								Yach 23	40	-	-	Yach 55	476	60	+5.0
								Yach 24	40	-	-	Yach 60	476	60	+5.0
								Yach 25	40	-	-	Yach 65	476	60	+5.0
								Yach 26	40	-	-	Yach 70	476	60	+5.0
								Yach 27	40	-	-	Yach 75	476	60	+5.0
								Yach 28	40	-	-	Yach 80	476	60	+5.0
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								Yach 41	40	-	-	Yach 145	476	60	+5.0
								Yach 42	40	-	-	Yach 150	476	60	+5.0
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								Yach 44	40	-	-	Yach 160	476	60	+5.0
								Yach 45	40	-	-	Yach 165	476	60	+5.0
								Yach 46	40	-	-	Yach 170	476	60	+5.0
								Yach 47	40	-	-	Yach 175	476	60	+5.0
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								Yach 49	40	-	-	Yach 185	476	60	+5.0
								Yach 50	40	-	-	Yach 190	476	60	+5.0
								Yach 51	40	-	-	Yach 195	476	60	+5.0
								Yach 52	40	-	-	Yach 200	476	60	+5.0
								Yach 53	40	-	-	Yach 205	476	60	+5.0
								Yach 54	40	-	-	Yach 210	476	60	+5.0
								Yach 55	40	-	-	Yach 215	476	60	+5.0
								Yach 56	40	-	-	Yach 220	476	60	+5.0
								Yach 57	40	-	-	Yach 225	476	60	+5.0
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								Yach 59	40	-	-	Yach 235	476	60	+5.0
								Yach 60	40	-	-	Yach 240	476	60	+5.0
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								Yach 63	40	-	-	Yach 255	476	60	+5.0
								Yach 64	40	-	-	Yach 260	476	60	+5.0
								Yach 65	40	-	-	Yach 265	476	60	+5.0
								Yach 66	40	-	-	Yach 270	476	60	+5.0
								Yach 67	40	-	-	Yach 275	476	60	+5.0
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								Yach 69	40	-	-	Yach 285	476	60	+5.0
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								Yach 97	40	-	-	Yach 425	476	60	+5.0
								Yach 98	40	-	-	Yach 430	476	60	+5.0
								Yach 99	40	-	-	Yach 435	476	60	+5.0
								Yach 100	40	-	-	Yach 440	476	60	+5.0
								Yach 101	40	-	-	Yach 445	476	60	+5.0
								Yach 102	40	-	-	Yach 450	476	60	+5.0
								Yach 103	40	-	-	Yach 455	476	60	+5.0
								Yach 104	40	-	-	Yach 460	476	60	+5.0
								Yach 105	40	-	-	Yach 465	476	60	+5.0
								Yach 106	40	-	-	Yach 470	476	60	+5.0
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# THE JERUSALEM POST

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## Another package to be made

THE MILITARY talks between Israel and Lebanon that were scheduled to open at Nakoura today have been put off for a few days, at the request of the Lebanese. Beirut has had some difficulty putting its own act together, but this impediment is expected to be overcome before the end of the week, and for the same reason that the decision to hold the talks was taken by the Lebanese in the first place - because that is what the Syrians want.

Plainly Damascus has a stake in the IDF withdrawing from Lebanon. For one thing, this would furnish an excuse for Syria extricating itself from the Lebanese morass. This in turn should allow Israel some leverage over Syria in the attempt to ensure the minimal aim of Operation Peace for Galilee, which is implicit in its title. The leverage is not sufficient, however, to force Syria to publicly underwrite even the peace of Galilee.

In planning its strategy at the Nakoura talks, the Israeli side should be guided by an acknowledgment of the fact that the protracted occupation of southern Lebanon works to Israel's own disadvantage - and that this is hardly a secret to the Syrians.

The disadvantage lies not only in lives lost and in money wasted. Under the occupation the Shi'ites of southern Lebanon, who account for the overwhelming majority of the area's population, have over the past two years been converted from potential friends into overt enemies of Israel. Stringent measures taken by the IDF to protect the occupation troops against terrorism have perversely triggered among the Shi'ites a mass resistance movement which in effect, though not by design, is doing the PLO's bidding.

Although the movement receives inspiration, and material aid, from Beirut, Damascus and Teheran, too, it is locally based.

Basically, the Shi'ites have no interest, any more than do the Sunnis, the Druse and the Christians of the south, in the return of the Palestinian terrorists to the area they ravaged for years before the 1982 Israeli incursion. On the contrary, they have an active interest in re-establishing law and order in the south as an integral part of sovereign Lebanon.

Yet in Israel's continued occupation a great many of them have come to see not the reflection of a vital Israeli security interest, but proof positive of an Israeli design to detach the south permanently from Lebanon.

It is now for Israel to persuade the people of the south, notably the Shi'ites, that this is not its intention, and that it is determined to recall the troops home. This will not be done by insisting on an extension of the authority of Gen. Antoine Lahad's Israel-sponsored South Lebanese Army, an unmotivated band of mostly Christian and some Druse mercenaries, to cover virtually the entire south. The SLA can only be effective if it is confined to the border area formerly policed by the late Major Sa'ad Haddad's militia. There it would also be acceptable to the local people.

This would not offer an ideal solution, and Israel would, in any agreement with the Lebanese, have to retain the right, even if only implicit, to despatch its forces across the frontier to counter terrorism.

Yet even an inadequate security arrangement in southern Lebanon, resting largely on Unifil and political understandings, would pose less of a threat to this country than a hostile population that views Israel as an oppressor.

It is felt that the Syrian army might take over the area vacated by Israel in the south, this could be met by redeploying the IDF opposite the Syrians in the east. However, it must be assumed that the Syrian interest, which dictates against this, will also in the end lead to a more general solution regarding southern Lebanon.

## SUBSIDIZED

(Continued from Page One)

a statement in yesterday's cabinet meeting.

The cabinet also decided that the freeze on state contracts for goods and services and the freeze on entries into the civil service will also be continued for three more months. To handle requests for exceptions to this freeze on contracts and manpower, the cabinet appointed a special committee of ministers, comprising the finance minister, the housing minister, and Economics Minister Gad Ya'acobi.

Two exceptions were already provided for yesterday. Defence contracts were frozen for only one month instead of three months. Only one third of the budget for public housing construction was frozen. This last exception was also presented by Levy at the press conference, as a personal achievement in the light of his warning that he could not let the country's building industry collapse as the result of a general freeze.

In fact, the reduced freeze on the housing budget was not the result of pressure at yesterday's session by Levy or any of his colleagues. Peres had agreed on Friday to the reduced freeze at a meeting with Levy after urgent appeal had reached the Prime Minister's Office from major private and public building contractors, including Solel Boneh and Shikun Ovdim. These appeals, with the special warning about the massive unemployment threatened in the building trade, were understood to have "softened Peres up," according to a source.

Levy, who spoke at yesterday's session after the issues of subsidies and housing budget had been cleared away, got an undertaking from Peres that the next cabinet meeting would include a discussion of the general unemployment threat.

The freeze on defence contracts for only one month was not discussed yesterday either. Peres had set-

ted it with Defence Minister Yitzhak Rabin on Friday.

Sharon proposed yesterday that the government reduce the strategic reserves of essential commodities such as fuel, meat, flour, animal feed and sugar by \$200 million, and divert that sum to his ministry to invest in the development areas and to combat unemployment brought about by the economic squeeze.

Ministers commented that whereas it was extremely urgent to find funds to create employment and to encourage exports, and while the development areas merited high priority, there was no question of assigning such funds solely to Sharon's ministry.

Absorption Minister Ya'acov Tzur pointed out that the strategic reserves of essential commodities derived from the budgets of a large number of ministries, especially energy and agriculture, and very little from Sharon's ministry.

Peres said that Sharon's proposal to cut the reserves was worth studying. He promised to put it on the agenda of some future cabinet session.

The cabinet accepted a proposal by Ya'acobi to ask the State Vehicles administration to provide ministers with a cheaper and more economical official car for their use.

The cabinet also decided that Health Minister Mordechai Gur would work out a procedure whereby ministers and Knesset Members would be able to waive their special health care privileges (which in 1983 cost the taxpayer IS100m.).

On this issue, one of the ministers pointed out that some ministers and Knesset Members do not belong to any health fund. Another minister commented that he and his colleagues, like the MKs, agreed earlier in the year to waive 10 per cent of their salaries. "But the public has a short memory and it has already forgotten that," the minister added ruefully.

# The speech they should have made

By ARYEH RUBINSTEIN

OF PARTICULAR interest in last week's Knesset debate on "the murderous act at Cremisan and the attack on the Jerusalem bus" (as stated in the official agenda) were the speeches of three MKs - two from the religious parties and one of Tehiya's religious MKs.

All three denounced both Arab and Jewish violence, but only Avner Shalev of the National Religious Party came across straight and clear, without "ifs, ands or buts."

"My party," he said, "has repudiated and does repudiate the Jewish underground on both religious and moral grounds, since it is an attempt by citizens to take the law in their own hands and commit forbidden acts."

"The act [the firing of a missile at the Arab bus] is contrary to the ethics of Judaism. It distorts the lofty Jewish concept of the sanctity of Jewish life."

Rabbi Haim Druckman of Morasha and Rabbi Eliezer Waldman of Tehiya also condemned Jewish terror acts, but their condemnation was almost forgotten by the time they finished talking, since the bulk of their remarks was devoted to the differences, as they see it, between Arab and Jewish terrorism.

Surely they would have been more credible and would not have compromised their oft-expressed view that Arab terrorism is largely the result of government softness, had

they said something along the following lines:

IN BOTH cases under discussion, the victims were innocent civilians, and if the murder of the two Jewish students was a bit more cold-blooded, the two murders were equally heinous.

It cannot be denied that some of the blame for Arab terrorism must be assigned to the government's flaccidity in dealing with it; to Peace Now solidarity demonstrations, and to the Labour party leader who said in the Knesset, after the murder of the six yeshiva students near Beit Hadassah that it never would have happened if the Jews had not returned to Hebron.

But my views are well-known, and the sincerity of my denunciation of Arab terrorism is not questioned. I shall therefore devote the rest of the time at my disposal to clarifying my stand on Jewish terrorism, on acts of violence committed by individuals or groups.

I denounce it. I abhor it. I am repelled by it. Utterly and without reservation. And not just when the victims are ordinary Arabs who just happened to be in a bus chosen by the self-appointed avengers at random. It takes no great courage to denounce the murder of innocents.

My unqualified rejection of Jewish violence extends to such acts by

non-official individuals or groups against known FLO activists - even if the maiming of the two Arab mayors was not simply an act of blind revenge but actually contributed to Israel's security.

FOR THE question is not simply whether the victim deserved to be killed or maimed; the question is who is to decide. Although I and my party may agree with the ultimate goals of the alleged Jewish underground - I will not grant that authority to them or to anyone but the duly constituted courts of law. To do otherwise is to invite anarchy.

As we are taught in *Ethics of the Fathers*, "Pray for the welfare of the kingdom [i.e., government], for were it not for men's fear of it they would swallow each other alive."

It is true that the acts of violence committed by Jewish individuals or groups acting without official sanction can be defined as counter-terrorism. But that is a weak reed indeed. For, however just our cause, if we maintain that the end justifies the means, why should our enemies not follow the same rule?

And then Jewish counter-terror would be followed by Arab counter-terror, and that could turn Jerusalem into another Belfast.

I will not argue that unofficial counter-terror will not bring closer the realization of the Zionist dream - maybe it will and maybe it won't.

# Quest for legitimacy

By JUAN MALTES/Managua

lack of centrist opposition, the Sandinistas vowed to hold elections on schedule even if "we have to go alone" to the polls.

That was the phrase used by Daniel Ortega, chief of the Sandinista junta and its presidential candidate, after learning on October 22 that the Liberal Independent Party had decided to withdraw from the election.

The Liberal Party, headed by Virgilio Godoy, said it was quitting the contest for lack of what it called

"adequate conditions" and because it would "not resolve the problem of peace" for Nicaragua.

THE DECISION of the Liberal Party prompted two others, the Democratic Conservative Party and the Popular Social Christian Party, to reconsider their participation.

Criticism of the electoral process began even before the November date for the balloting was set by the Sandinistas last February.

It reached a crescendo when the Nicaraguan Democratic Coordinating Committee, considered to be the principal opposition party, declined officially to register its candidates, claiming "a lack of guarantees for a free election." Its presidential candidate would have been Arturo Cruz.

The coalition, made up of three recognized political parties, a fourth without official recognition and two labour unions, demanded that the Sandinistas give it free access to the press and to election registration books; permit free campaigning and remove voting boxes from military bases, "so soldiers can vote without pressure."

Although the government did not lift press censorship imposed by a national emergency decree issued in March 1983, it did say it would

permit newspapers and radio stations to carry criticism of the Sandinista Party and would continue to censor only information pertaining to the war against U.S.-supported rebels fighting in the mountains of northern and southern Nicaragua.

With that assurance, nine opposition parties indicated they would officially inscribe candidates for the election, including the three in the coalition headed by Cruz.

BUT AS THE AUGUST 4 deadline for registration came and went, Cruz balked at formally listing his candidacy. He is a respected economist and a member of the first Sandinista-headed junta installed after the July 1979 ouster of rightist, pro-American strongman Anastasio Somoza.

Cruz announced that before he became an official candidate there would have to be a "national dialogue" among all political factions, including the insurgents. His demand was categorically rejected by the Sandinista government.

There then began a lengthy series of secret negotiations between the Sandinistas and Cruz, who continued to demand guarantees for a free, open election and a postponement

ment of the date to permit him to mount a more effective campaign.

Although both sides were reported close to an agreement on several occasions, those talks came to an end in early October after a meeting in Rio de Janeiro under the aegis of the Socialist International.

Sources close to the negotiations said the Sandinistas, represented by the front's political coordinator, Bayardo Arce, had offered to postpone the elections until January 13 and meet most of Cruz's other demands in exchange for a cease-fire by the counter-revolutionaries.

But according to those sources, Cruz said he had no control over the rebels and therefore could not arrange a cessation of hostilities. The Sandinistas later blamed the United States for engineering Cruz's pullout, saying the Reagan Administration was trying to rob the election of meaning.

WITH THE WITHDRAWAL of Cruz's coalition and the Liberal Party, only five parties were left to oppose the Sandinistas. Besides the Democratic Conservatives and the Social Christians, they were the Communist Party, the Socialist Party and the Popular Action Movement, a Marxist-Leninist group.

Winning an election that could be widely considered free, open and broadly competitive would add to the Sandinistas' international legitimacy and undercut the Reagan Administration's contention that they have moved toward totalitarianism since coming to power.

(The Associated Press)

## Dry Bones



As a rabbi, I refuse to approve a given strategy only on the grounds that it works. So many of the people involved thought that they were not only super-patriots but also super-religious in doing what they did that I must make it clear beyond any doubt that the spilling of innocent blood is one of the gravest offences against the laws of Judaism.

I don't recall that I have ever agreed with Chaike Grossman [the Mapam MK who led off the debate], but she was dead right in the distinction she made between Arab and Jewish terror.

"Arab terror unites us. Jewish terror divides us."

SOME OF the thoughts expressed in the above imaginary speech were actually uttered by Rabbi Druckman or Waldman. But they were submerged, even cancelled out, by what followed, their "on the other hand..." etc.

What you really believe often comes across not in what you say but in how you say it.

The writer is the Knesset Reporter of The Jerusalem Post.

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